Unlocking the Joint Effect of Psychosocial Safety Climate and Psychological Capital on Customer Engagement through Adaptive and Proactive Service Behaviours

by

Sahar Siami

B.S., M.S.

The Tasmanian School of Business & Economics

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Declaration of originality

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Abstract

The behavioural aspects of service employees' performance during service delivery is an important factor in a service organisation's success and effectiveness. However, the rapidly evolving and competitive environment facing service organisations has changed employers' expectations of employees from just doing formal job tasks to going the "extra mile" in customer relationships. In such a working environment, task-related extra-role service behaviour can be more effective than formal tasks in satisfying customer needs and establishing a long-term relationship with them. This behaviour refers to employees' adaptation to unstable working situations and taking the initiative to predict and resolve future risks and obstacles. Hiring the people who are predisposed to be adaptive or proactive to achieve favourable organisational and customer outcomes is not easy; thus, these behaviours need to be fostered in employees. Traditional management theories, stressing managerial control and economic efficiency, have failed to provide employees with a working environment that motivates them to be engaged in adaptive and proactive service behaviours. To address this gap, this study proposes that these behaviours could be nurtured in employees by providing them with a psychosocial safety climate, a facet specific aspect of organisational climate concerning employees' psychosocial health and safety. In a psychosocially safe working environment, service employees will be able to employ their potential "Psychological Capital", defined as an individual's positive psychological state of development, characterized by hope, efficacy, resilience and optimism.

Using the lens of positive organisational scholarship and positive organisational behaviour, this study proposes a multilevel conceptual framework to explain the effect of psychosocial safety climate at the organisational level on customer outcomes including customer engagement behaviour and customer repurchase intention through the mediators

of adaptive and proactive service behaviours in service organisations. In addition, the study proposes that employees' state-like capabilities (i.e., Psychological Capital) at the individual level could affect task-related extra-role service behaviours and consequently customer outcomes. Therefore, this study aims to answer the following research questions:

Research question 1: To what extent does psychosocial safety climate influence customers' behavioural intention through adaptive and proactive service behaviours?

Research question 2: To what extent does psychological capital affect adaptive and proactive behaviours directly and through interaction with psychosocial safety climate?

A quantitative methodology, with multi-level modelling, was used in this study. Multi-level modelling provides a useful framework for studying hierarchical structures in theory and data. Using a multilevel approach makes it possible to investigate the effect of psychosocial safety climate as a higher-level construct on individual and group-level variables inside (adaptive and proactive service behaviours) and even outside the organisation (customer outcomes). The multi-source data for this study were collected via self-administered surveys from managers, employees and customers of 60 insurance company branches in Iran. There were 56 branches which returned usable survey packages resulting in a 93.3% response rate. The final sample included 56 managers, 513 frontline service employees and 560 customers of insurance companies.

The findings, in accordance with conservation of resource theory, confirmed that both individual psychological capital and branch-level psychosocial safety climate positively contributed to individual adaptive and proactive service behaviours. Results showed that an interaction between psychosocial safety climate and psychological capital positively affected adaptive service behaviour but not proactive service behaviour At branch level, proactive service behaviour was related to customer engagement behaviour and customer

repurchase intention, as well as mediating the relationship between psychosocial safety climate and both customer engagement behaviour and repurchase intention. Similarly, adaptive service behaviour was found to be related to repurchase intention and mediated the relationship between psychosocial safety climate and repurchase intention. These results were in line with positive organisational scholarship and positive organisational behaviour lens as well as social exchange theory as background. Contrary to expectation, adaptive service behaviour was not found to be related to customer engagement behaviour and consequently did not mediate the relationship between psychosocial safety climate and customer engagement behaviour. The difference between customer and service employees' perceptions of adaptive service behaviour might be the reason why a psychosocially safe working environment despite motivating adaptive service behaviour among service employees, could not be adequately reflected in customer engagement behaviour.

The study makes significant theoretical contributions to the service, occupational health and safety, and psychological capital literature. The positivity model incorporated positive organisational scholarship and psychological capital theory to explain the effect of occupational health and safety factors and psychological capital in service employees' task-related extra-role behaviours. In addition, this study extended psychosocial safety climate theory, for the first time, through a multilevel modelling approach to customer outcomes. The study also contributed to the service marketing literature by investigating the joint effect of adaptive and proactive service behaviours in transmitting the internal organisational climate (psychosocial safety climate) on external organisational stakeholder (customers). According to the results, proactive service behaviour transmits internal organisational factors (psychosocial safety climate) to customer outcomes including both customer engagement behaviour and customer repurchase intention, but adaptive service behaviour transmits psychosocial safety climate to customer engagement behaviour only.

The study also has considerable practical implications. The results highlight the roles of senior service managers' commitment to establish a psychosocially safe working environment and service employees' positive state in not only improving service employees' adaptive and proactive behaviours but in achieving desirable customer outcomes.

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CONTENTS

CHAPTER 3 | METHODOLOGY

CHAPTER 4 | RESULTS

CHAPTER 5 | DISCUSSION AND CONCLUSION

LIST OF TABLES

LIST OF FIGURES

Glossary of abbreviations	
GDP	Gross domestic product
ASB	Adaptive service behaviour
PSB	Proactive service behaviour
PsyCap	Psychological capital
PSC	Psychosocial safety climate
CEB	Customer engagement behaviour
CRI	Customer repurchase intention
POS	Positive organisational scholarship
POB	Positive organisational behaviour
C2C	Customer-to-customer interaction
COR	Conservation of resource theory
PSC-12	psychosocial safety climate questionnaire
PCQ-12	psychological capital questionnaire
IRR	Interrater reliability
IRA	Interrater agreement
ICC	Intraclass correlation
CFA	Confirmatory factor analysis
AVE	Average variance extracted
CR	Composite reliability
r_{wg}	Within group agreement index
HLM	Hierarchical linear modelling

Chapter 1: Introduction

1.1. Introduction

Service organisations play an increasingly important role in today's global economy and account for almost seventy percent of world GDP (Economy–overview, 2015). At the same time, in many countries, these organisations are confronted with a shrinking economy, emerging technology, and growing competition resulting in increased customer expectations of service providers (Wilder, Collier, & Barnes, 2014). Conflicting and rapidly evolving customer needs and expectations create uncertainty (Raub & Liao, 2012), and limit the effectiveness of highly prescriptive work roles in achieving organisational success (Bowen, 1990; Griffin, Neal, & Parker, 2007).

It is widely acknowledged that the performance of frontline service employees is crucial for service organisations' success and effectiveness (Borucki & Burke, 1999; Liao, 2007; Liao & Chuang, 2004, 2007; Raub & Liao, 2012). Moreover, the reality now is that employees need to be willing to do more than just execute the core transaction, they need to be open to provide, if not even be solicitous and offering to provide, additional services to meet the customer's needs and/or the organisation's goals (Nguyen, Johnson, Collins, & Parker, 2016). Various forms of work performance are not equally effective or desirable in dealing with uncertainty (Howard, 1995). In light of the often-uncertain nature of the demands and expectations placed by customers on service organisations' employees, it is especially important that these employees adopt positive, task-related, extra-role service behaviours in which they adapt to unstable working situations and show initiative in predicting future risks and obstacles and resolve them. This can be more necessary than formal tasks and predictable behaviours (Griffin, Parker, & Mason, 2010; Nguyen et al., 2016).

The approaches of adaptive service behaviour (ASB) and proactive service behaviour (PSB) are of vital importance to achieving customer satisfaction in service organisations, because frequently the customer's needs extend beyond the initial purpose of the communication or the contact (Nguyen et al., 2016). Whilst there are a modest number of studies examining ASB and PSB simultaneously (Strauss, Griffin, Parker, & Mason, 2015), there is very little research empirically examining their effect on customers' attitudes and behaviours.

Given the importance of positive, task-related, extra-role behaviours in the service sector, an understanding of the factors that can contribute to service employees' motivation to engage in these behaviours is crucial to enhance customer outcomes. Regardless of the well-established significance of ASB and PSB in uncertain working conditions (Nguyen et al., 2016), existing research is unclear when it comes to the role of the work context in shaping these behaviours. The role of the work context in attracting, retaining and shaping behaviours that are effective in obtaining an acceptable fit between the employee and the organisation (see Ashford, Blatt, & Walle, 2003) needs research attention.

Social context variables, including organisational climate, are important for fostering positive, task-related, extra-role service behaviours to improve organisational functioning and strategy (Parker, Bindl, & Strauss, 2010). Generally, the idea that organisational climate can influence employee attitudes and behaviours has been well supported in academic literature (Wilder et al., 2014). In uncertain environments where job requirements are unclear and often unpredictable (Nguyen et al., 2016), interpersonal climate and social processes, such as managerial support and peer support, can motivate employees to feel safe and empowered to exercise their initiative and to anticipate a customer's possible needs (Parker et al., 2010; Wilder et al., 2014). Thus,

achieving positive organisational and customer outcomes are not solely dependent on hiring the ‘‘right’’ people, such as those who are predisposed to be adaptive or proactive. Rather, the desired attitude, approach and behaviours may be fostered in employees through the creation of an organisational climate that psychologically supports them (Wilder et al., 2014). For example, employees who perceive that the organisation cares about their well-being as a result of their positive perceptions of, or experiences with, the organisation’s remuneration policies or procedures or their supervisor’s support, are more likely to be motivated and engaged (Dollard & Bakker, 2010; Law, Dollard, Tuckey, & Dormann, 2011).

Some studies have examined the effect of various organisational climates on extra-role behaviours (e.g., Ehrhart, 2004; Liao & Rupp, 2005; Walumbwa, Hartnell, & Oke, 2010). However, there is no research that has empirically examined the effect of a psychologically supportive climate, specifically a psychosocial safety climate (PSC; climate for psychosocial health and safety). PSC can provide important resources that shape, nurture and sustain the adoption by employees of extra-role behaviours. In addition, some studies have considered how individual differences such as personality can affect proactive and adaptive behaviours (e.g., Griffin et al., 2007; Griffin et al., 2010; Neal, Yeo, Koy, & Xiao, 2012). Although a modest number of studies have examined the interaction between individual characteristics and contextual factors in affecting proactive and adaptive behaviours (Nguyen et al., 2016), there is a lack of research into the positive state-like capabilities (rather than the traits) of service employees, which may interact with a PSC and influence positive, task-related, extra-role behaviours in service organisations. Therefore, to address the research gap this study examines to what extent PSC and employees’ psychological capital (PsyCap; synergic interaction between individuals’ resources of hope, efficacy, resiliency and

optimism) at the individual-level both directly and interactively can improve adaptive and proactive service behaviours.

Adopting the Positive organisational scholarship (POS) lens afforded by Cameron, Bright, and Caza (2004), it is apparent that certain organisational climates, practices and behaviours can build individual, group and organisational strengths and generate high performance. POS focuses on building positive emotions, developing strengths and resilience, creating meaning and purpose and developing positive relationships (Dutton et al., 2003). Positive organisational behaviour (POB) is defined as the study and application of psychological capacities (embodies as PsyCap) that can improve human and organisational performance in today's workplace (Luthans, 2002). The state-like characteristic of PsyCap can develop the capability of employees and teams to deal with high demands in work environments (Friend, Johnson, Luthans, & Sohi, 2016). While POS and PsyCap theories have received favourable attention in the literature (Avey, Reichard, Luthans, & Mhatre, 2011; Cameron, 2005; Cameron & Caza, 2004; Friend et al., 2016; Luthans & Youssef, 2007; Luthans, Youssef, & Avolio, 2007; Youssef-Morgan & Luthans, 2013), few empirical studies have been undertaken to apply both theories to explain multilevel models, particularly in service environments. Therefore, the current study aims to employ a POS lens and PsyCap theory to examine how ASB and PSB are shaped in a positive framework contributing to enhanced customer engagement and repurchase intention.

Developing countries are confronted with increased demand for the adaptation of workers and work patterns, the revision of traditional values, the reorientation of the occupational health system, and generally poor working conditions. This differentiates the working environment from developed countries (Houtman, Jettinghof, & Cedillo, 2007) . The lack of research in this field presents a major barrier preventing developing

countries from achieving psychosocially safe working environments where employees can thrive. For this reason, this study tries to address this issue by administering the related measures, which have been developed and used in developed countries in the context of insurance companies in Iran as a developing country.

This chapter aims to introduce the thesis. First, the background to the research including definition of key terms is provided, then the context of the research is introduced. Succeeding an outline of the research opportunity and the proposed research questions, the contribution to theory and practice is discussed. The chapter concludes with a summary of the methodology used in the study.

1.2. Background to the research

1.2.1. Adaptive and proactive service behaviours

Building a stable relationship with customers through increasing their loyalty and engaging them with the company is recognized as an important factor in generating long-lasting profitability and sustainability for many service companies (Verleye, Gemmel, & Rangarajan, 2014). If frontline, customer-facing employees engage in positive, task-related behaviour positive customer outcomes can result (Rank, Carsten, Unger, & Spector, 2007; Raub & Liao, 2012). Whilst it is acknowledged that assessing the quality of service offerings is complicated, given the intangible nature of services, it is important to recognise that customers will generally have little more to go on than to rely on service employees' behaviour in forming their judgement about the quality of their experience and engagement with the service provider (Gremler & Gwinner, 2000). It is this judgement that, in turn, is most likely to influence a customer's sense of loyalty and behavioural intentions towards the service company.

In less prescriptive, more open-ended contexts such as service environments, employees are faced with widely varying demands by customers and supervisors. Also,

with the need to adapt their behaviours to the unpredictability of human needs, sensitivities and behaviours (Marques-Quinteiro & Curral, 2012), certain approaches to (or styles of) providing service will be experienced differently by different customers and supervisors (Griffin et al., 2010). Although, most jobs involve a mixture of proficiency (performing a set of formal tasks), adaptivity (being adaptable and responsive), and proactivity (taking initiative in unpredictable situations) (Neal et al., 2012), the frontline service employee's job requires them to be more adaptive and proactive to build a strong relationship with their customers and satisfy their specific, unique needs (Nguyen et al., 2016). In particular, positive, task-related service behaviours, in which employees adapt their behaviour and service offerings to meet customers' requirements and use their initiative to anticipate future customer needs, problems and demands, can be more effective in customer outcomes than performing predetermined, fixed, scripted tasks in such a service environment.

Despite the fact that employees' adaptivity has been widely studied in organisational behaviour (e.g., Baard, Rench, & Kozlowski, 2014; Huang, Ryan, Zabel, & Palmer, 2014; Pulakos, Arad, Donovan, & Plamondon, 2000) and marketing literature (e.g., Franke & Park, 2006; Gwinner, Bitner, Brown, & Kumar, 2005; Leischnig & Kasper-Brauer, 2015; Park & Deitz, 2006; Prentice & King, 2013; Wang, 2012), there is still confusion about the definition of the construct. Some studies have considered employee adaptivity as a capability that mostly depends on an individual's disposition (e.g., Hartline & Ferrell, 1996; R. Morgan, Rapp, Glenn Richey, & E. Ellinger, 2014), whilst others have considered the concept as a facet of task performance behaviour which can be affected by motivations, skills and abilities (Jundt, Shoss, & Huang, 2015; Pulakos et al., 2000; Shoss, Witt, & Vera, 2012). Several studies examined adaptive behaviour in the context of organisational change and defined it as a

reaction to a change in the work environment (Baard et al., 2014; Coelho & Henseler, 2012; Gwinner et al., 2005; Pulakos et al., 2000; Shoss et al., 2012). In contrast, other studies (e.g., Pulakos et al., 2000), specifically marketing studies (Coelho & Henseler, 2012; Gwinner et al., 2005; Jong & De Ruyter, 2004; Leischnig & Kasper-Brauer, 2015; Wang, 2012), did not include organisational change as a prerequisite for generating adaptive behaviour. Instead, they considered the endless demands of customers, supervisors or uncertainty as the main reason for engaging in adaptive behaviour. Finally, some studies examined and identified different forms of adaptive behaviour in different jobs (Pulakos et al., 2000; Robinson Jr, Marshall, Moncrief, & Lassk, 2002) and others chose to study this construct in other context-specific ways (Coelho & Henseler, 2012; Leischnig & Kasper-Brauer, 2015; Park & Deitz, 2006; Prentice & King, 2013; Wang, 2012). Some examples of adaptive behaviours in financial services such as insurance industries include apologising for delays and unavailable service, helping customers in finding appropriate insurance policy based on their financial situation and age and explaining them according to their level of knowledge. Overall, since adaptive behaviour is a reaction to various work conditions, work context can affect, shape and determine the required dimensions of adaptive behaviour. Limited research has been conducted in the area of adaptive service behaviour (Coelho & Henseler, 2012; Gwinner et al., 2005; Leischnig & Kasper-Brauer, 2015), but there is still a lack of research in the area, especially empirical research in which transactional and non-transactional customer outcomes are included.

Employees' proactivity has been examined in organisational behaviour studies under different labels, including proactive behaviour (e.g., Parker, 2000), suggesting ideas for future improvements, self-started problem-solving, feedback seeking and issue selling, taking charge (e.g., Morrison & Phelps, 1999), and personal initiative (Frese &

Fay, 2001). Despite the modest research which has been conducted on proactive behaviours, there is still a dearth of knowledge about the impact of context on the concept of proactive behaviour. Although Crant (2000) divided proactive behaviours into two categories, namely, general actions and context-specific behaviours, the majority of studies have specified proactive behaviour as a change-oriented behaviour (Coelho & Henseler, 2012; Park & Deitz, 2006; Pulakos et al., 2000), and studied different aspects of proactive behaviour aiming at changing selves and/or environment. There have been very few studies carried out in the context of organisational change, which considered context-specific aspects of proactive behaviour (e.g., Franke & Park, 2006). In contrast, service marketing researchers who have studied proactive behaviour among frontline service employees (Jundt et al., 2015) found that proactive service behaviours do not necessarily aim to change working procedures, but may entail actions or suggestions to address customers' needs. Despite the emergence and development of the concept of service-specific proactive behaviour, only two empirical studies have examined proactive service behaviours (i.e., Jundt et al., 2015; Wang, 2012). Some examples of proactive behaviours in financial services such as insurance industries include soliciting feedback from customers, partnership with other service employees when proceeding customer claims and calling customers to remind them to renew their policies before the end date.

Adaptive and proactive service behaviours are task-related and goal-directed behaviours, which occur as a positive discretionary response to uncertainty and the unpredictability involved in providing services to people. Even though ASB and PSB are conceptually different from each other (Griffin et al., 2007) only one study examined the joint effect of both ASB and PSB behaviours. This was a study on the performance assessments of supervisors (Nguyen et al., 2016). To date, no known study

has empirically examined the effects of frontline employees' adaptive and proactive behaviours on their customers' attitudes and behavioural intentions. This is despite the well-established, significant impact of customers' intentions and behaviours, with respect to future transactions, on sales, on service companies' profitability and in reducing marketing costs and decreasing service costs (Netemeyer, Maxham III, & Pullig, 2005). Moreover, with respect to non-transactional behaviours, significant impacts have also been reported on companies' long-term profitability and sustainability (Verleye et al., 2014).

1.2.2. Theoretical considerations

Most research studies that examined adaptive and proactive behaviours have realised that work environment and contextual factors have a significant impact on employees' motivation and intention to engage in them (Fuller, Marler, & Hester, 2006; Gwinner et al., 2005; Ohly & Fritz, 2010; Park & Deitz, 2006). The presence of uncertainty in the work context requires employees to proactively seek new ways to overcome the barriers to achieving personal, team or organisational objectives. This proactive search for new ways leads to adaptive and proactive behaviours. That is to say, in an uncertain, unscripted or demanding organisational context where task requirements cannot be fully anticipated, predetermined or scripted, adaptive and proactive behaviours emerge (Park & Deitz, 2006). A number of studies have explained how environmental and contextual factors provide predictions for adaptive and proactive behaviours. The following studies illustrate this point: Fuller et al. (2006) used work design theory; Gwinner et al. (2005) used classic employee performance theory; Griffin et al. (2007) used role theory; Griffin et al. (2010) used cognitive affective system theory; Ohly and Fritz (2010) used job characteristics theory, and Ghitulescu (2013) used job demands–resources theory. These studies showed that

adaptive and proactive aspects of task-related behaviours dynamically emerge as a result of an interaction between the employees' perceptions, beliefs and abilities and the environmental/contextual factors in uncertain (unpredictable) work conditions.

As stated earlier, existing research is unclear about the measures that organisations can take to improve employees' adaptive and proactive behaviours in uncertain working environments (Parker et al., 2010). Traditional management and organisational behaviour theories, emphasising organisational efficiency, (Dutton, Glynn, & Spreitzer, 2007) have failed to lead employees and organisations to unlock their potential and reach their highest capabilities (Cameron & Caza, 2004). Positive organisational scholarship (POS) suggests ways to explore and enhance human potential and capabilities by providing suitable, positive working environments at the organisational level (Cameron, Dutton, & Quinn, 2003) to reach organisational effectiveness.

Therefore, the current study employs the POS perspective to understand how to promote adaptive and proactive behaviours in service employees. The importance of positive, strength-based organisational cultures and human resource practices have been emphasised (Luthans & Youssef, 2007). Positive aspects of organisational context have been studied through POS and been recognised for their contribution to employees' thriving (Cameron, 2005). The POS approach has provided an organisation-level orientation to the positivity framework for establishing a positive organisation. In today's competitive working environment, it is important and valuable that positive organisations can create an appropriate context for the selection and placement of employees that features positive traits, the nurturing and managing of positive states, and the display, recognition and promotion of positive behaviours. An organisation with clear and aligned goals and expectations, social support and recognition, opportunities

for growth and development, and self-actualization is enabled by this environment to apply effective selection and placement practices which, in turn, further enable significantly improved employee engagement, customer satisfaction, and ultimately organisational profitability and growth (Luthans & Youssef, 2007).

Organisations' cultural values and organisational climate can determine the behaviours that are encouraged and recognized. Managerial control and traditional management cannot provide the context whereby employees are motivated to "go the extra mile" in performing their tasks and to be adaptive and proactive to achieve favourable organisational and customer outcomes. However, these behaviours can be fostered in employees through climates which psychologically support them (Wilder et al., 2014). In work environments considered to have a strong psychosocial safety climate, the organisation values the positive well-being of their employees and thus creates optimum working conditions (Law et al., 2011) which can foster employees' motivation for being adaptive or proactive (Parker et al., 2010). Low psychosocial safety or poor intragroup relations can make it seem overly risky to engage in proactive and adaptive behaviour because in this situation, the perceived costs of engaging in these behaviours are too high (Parker et al., 2010). Adaptive and proactive service behaviours may not always be seen or judged positively by managers which may result in low performance credits or punishments (Nguyen et al., 2016).

PSC is an up-stream cultural artefact resource, based on PSC theory, that is shaped by senior management philosophies, values and attitudes. It provides a psychosocially safe work context (i.e., high PSC) that influences employees' psychosocial safety, well-being and job engagement (Dollard & Bakker, 2010). PSC is an organisational resource that has an effect on work context, such that high PSC results in rich job design, lower levels of job demand and of poor performance (Dollard &

Bakker, 2010). PSC's positive effect on employees' work engagement and performance are reported in the literature. However, employee extra role behaviour and risk-taking behaviour, including adaptive and proactive service behaviours, remain unexplored areas.

The dynamics or mechanisms at work in the POS paradigm drive optimal functioning of organisations and the development of strengths and capabilities of organisational members, at all levels of analysis: individual, dyad, group and organisation. The insights derived from POS explain how a PSC, generating as it does a positive organisational climate, can develop adaptive and proactive service behaviours. To be more specific, the underlying mechanisms of POS explain how organisational policies, practices and procedures that shape employees' shared perceptions, are able to develop human strength, reinforce resilience, promote vitality and outstanding, out-of-the-box, individual, team and organisational performance (Cameron & Caza, 2004). Elements or facets of organisations, such as organisational culture, climate, networks and other organisational features can build capabilities, at the organisational level, and also can contribute to improved resource-building at other levels of the organisation. Although the POS perspective has contributed to organisational studies by introducing new constructs and offering a new lens to some traditional constructs of organisational studies (Dutton & Ragins, 2007), there are no studies, up until now, that utilized the POS lens and perspective to explain the effect of PSC as a resource for strengthening organisations through shaping employee behaviour.

The characteristics of positive organisations emanate from the positivity of the organisation's members (i.e., their traits, states, and/or behaviours). However, organisation, team or unit positivity is not simply the aggregated positivity of individuals. The perception of positivity is largely subject to the shared cultural values

in the organisation (Luthans & Youssef, 2007). That is to say, the organisational climate can also determine which are the preferred traits targeted during selection and placement processes: which (desirable) states are the priorities for development and for encouraging and nurturing positive behaviours. Therefore, positivity is largely a synergy between individuals' positivity, their interactions and the organisational climate. Positive characteristics of organisations such as humanistic work ideology, procedural justice and organisational support can develop individual- and team-level capabilities, such as psychological capital, which promotes adaptability and responsiveness to market needs (Wooten & Crane, 2004).

Psychological capital (PsyCap), being the main component of "positive organisational behaviour", is a form of positivity at the individual and/ or the collective (group) level (Avey, Luthans, & Youssef, 2010). PsyCap refers to a state-like, positive, personal and/or collective motivational resource, which can drive positive and extraordinary organisational behaviour and performance (Youssef-Morgan & Luthans, 2013). Given the importance of PsyCap in improving the performance of frontline employees (Avey et al., 2011), there is a lack of research on organisational-level factors in the development of PsyCap. Positive organisational behaviour and its primary construct, psychological capital, have focussed on positive psychological states, traits, and other human strengths associated with the improvement of employee well-being and performance. The state-like malleability of psychological capital and its focus on the behavioural performance impact, at both individual and collective levels, indicates the importance of these motivational and behavioural tendencies (Dawkins, Martin, Scott, & Sanderson, 2015). With respect to service employees' behaviours (Friend et al., 2016) during highly demanding and rapidly changing interactions between service employees and customers, the state-like components of psychological capital, namely,

self-efficacy, optimism, hope and resiliency, can act as valuable personal resources in meeting the demands or performance improvement.

The role of relatively stable traits in developing different aspects of adaptive and proactive behaviours and their interaction with the work environment's characteristics have been examined in some studies (Griffin et al., 2007; Griffin et al., 2010; Neal et al., 2012). Unlike the positive traits' effect, the impact of positive, state-like capacities (i.e., psychological capital) - which are particularly relevant to today's fast-paced and uncertain (unpredictable) work environments because of their malleability and flexibility in growth and development (Luthans, 2002; Luthans, Youssef, et al., 2007) - have not been studied yet. Although the results of a meta-analysis showed that higher levels of PsyCap in work places raise positive outcomes, including in-role and extra-role behaviours, satisfaction, commitment, and wellbeing (Avey et al., 2011), there has been very little research carried out examining the effect of PsyCap on extra-role behaviours, particularly on task-related behaviours in general or in the context of sales or service.

One exception is a review study by Friend et al. (2016) who proposed a multi-level effect of PsyCap on sales employees' performance. But despite the characteristics of the service context, to date, there is no empirical study examining PsyCap and its impact on task-related, extra-role behaviour in service context. The definitions of constructs of interest are presented in table 1.1.

Table 1.1 The definitions of the study constructs

Constructs	Definitions
Psychosocial safety climate (PSC)	Refers to employees' shared perceptions of "policies, practices and procedures for the protection of employee psychological health and safety" (Dollard & Bakker, 2010). The content domain of PSC consists of four aspects including senior management support and commitment, management priority to psychological health and safety, organisational communication, organisational participation (Dollard & McTernan, 2011).
Individual Psychological capital (PsyCap)	Refers to a combination and synergy interaction of individual's positive resources of: hope ; efficacy ; resiliency and optimism (Youssef-Morgan & Luthans, 2013).
Adaptive service behaviour	Refers to the extent to which employees intentionally modify the service offering and/or their interpersonal behaviour with regard to perceived customer needs (Gwinner, 2005).
Proactive service behaviour	Refers to the extent to which employees anticipate customer needs or problems to address them before future service encounters and 'characterized by a self-starting, long-term-oriented, and forward-thinking approach to service delivery' (Raub and Liao, 2012) that exceeds explicitly formal task requirements (Rank et al. 2007).
Repurchase intention (CRI)	Refers to the customer's evaluation and decision about buying again a certain service and engaging in future activities with the same firm (Hume and Sullivan, 2010).
Customer engagement behaviours (CEBs)	Refers to behavioural manifestation of customers toward a firm, its employees and other customers, after and beyond purchase, as a result of motivational drivers, which can contribute to the firm's performance through two ways. (Verleye, Gemmel, and Rangarajan, 2013).
Personality traits	Refers to "the sum total of ways in which an individual reacts to and interacts with others" which is describe it in terms of the measurable traits a person exhibits (Robbins, and Judge, 2003).

1.3. Research context

The service sector is increasingly developing in size, contribution to GDP, and share of employment in all countries around the world. Even in developing countries, the service sector is emerging and growing and accounts for more than 50% of their gross domestic product (GDP) (Wirtz & Lovelock, 2016). It is argued that service industries in developing countries could serve as a growth engine, the role traditionally assumed by manufacturing (Ghani & O'Connell, 2014). However, the wisdom of achieving high growth rates relying only on the service sector is debatable, specifically in developing countries.

The Middle East and North Africa Region (MENA) has dramatically improved in levels of education during the last twenty years and provided educated human

resources which is required for developing industries and professional services (Theworldbank, 2018). Service industries, specifically professional services such as banking and insurance companies can, therefore, play an important role in the regions' development through employing highly educated employees (Ghani & O'Connell, 2014). The service industry can serve as an appropriate context for the current research because of their increasing importance in developing countries' economy. In order to set the context for the research, this section presents a discussion of the service industry in Iran, and the insurance companies where the research is conducted.

1.3.1. Iran's economy

Iran is the second largest economy in the Middle East and North Africa (MENA) region, with an estimated Gross Domestic Product (GDP) in 2017 of US$ $447.7 billion. It also has the second largest population in the region, with an estimated 80.6 million people in 2017. The service sector, being one of Iran's major economic sectors, is estimated to contribute 53.1 percent of Iran's GDP and employ 48.6% of the Iranian work force (Theworldbank, 2018).

An executive order regarding the privatization plan, namely, the processes of transferring state-owned and operated businesses, industries, or services to private ownership and control (authorised by Article 44 of the Constitution of the Islamic Republic of Iran), was issued in 2004. The plan has deeply affected business services, especially banking and insurance. According to the associated implementation plan, the government is required to cede 80 percent of the shares of major state-owned enterprises to the people in order to support the targets envisioned by the 20-Year Strategy for Economic, Social and Cultural Development. By putting into practice the implementation action plan, the government's role will undergo a shift from direct involvement in ownership and running the large companies to supervising and guiding

different sectors of the economy to meet gradually the regulations of the World Trade Organisation (WTO).

Fiscal and monetary constraints, following the expansion of international sanctions in 2012 on Iran's Central Bank and on oil exports, significantly reduced Iran's economic growth in both 2012 and 2013, although growth resumed in 2014. This fluctuation in economic growth adversely affected the newly privatised sectors specifically. The outlook in 2017, based on the anticipated securing of the promise of sanctions relief along with the reining in of inflation, was that foreign direct investment should be bolstered, thus increasing trade and stimulating growth (Factbook, 2017).

1.3.2. Iranian insurance companies

Iran’s insurance market ranked 42nd in the world in terms of the value of total premiums with IRR[1] 228.428 billion in 2015 which grew by 31.94% during the last five years. The insurance industry represented around 2% of Iran’s GDP in 2013. Insurance was among the first sectors subjected to privatisation. All insurance companies, except Central Insurance Company and Iran Insurance, were privatised over the period 2004-2014. At the time of the privatization movement in the insurance industry in 2004, the share of non-governmental insurance companies of the market’s premium (the amount insurers pay for insurance cover) began to increase. In 2015, about 59.9 percent of the market’s premium and 55.2 percent of market’s loss belonged to this section of the industry (BimehmarkaziIran, 2015-2016).

The Central Insurance of Iran (Bimeh Markazi Iran), as a government department, is in charge of regulating, and supervising insurance activities within the market, while providing national and international reinsurance services. During 2015, 29 active insurance companies were operating in Iran, including one fully state owned

1. Iranian Rial

company (that is, the Iran Insurance Co.) and 28 private insurance and reinsurance companies (namely, Asia, Alborz, Dana, Moallem, Parsian, Karafarin, Razi, Tose'e, Sina, Mellat, Hafez, Omid, Day, Saman, Novin, Iran Moein, Pasargad, Mihan, Kosar, Ma, Arman, Kish P&I Club, QITA P&I Club, Asmari, Taavon, and Sarmad). These generated a total direct premium income of IRR. 228,428 billion. In addition, Amin Re and Iranian Re are also major reinsurance companies operating in Iran. By increasing the number of insurance companies in the country during the last five years, employment has increased in the insurance industry and at the end of 2015, 18,612 people were employed. This was an increase of 13.5% over the number employed in the sector in 2010 – 16,408.

Iranian insurance companies have become an important, emerging growth sector following privatisation and with the stabilisation of the country's economy are expected to provide enormous employment opportunities to unemployed, highly educated, young people and act as a "growth escalator". However, the relatively low take-up of insurance cover in Iran (i.e., the market penetration rate) is considered to be the main challenge facing these companies and this optimistic outlook. Nevertheless, the growth capabilities along with the challenges make the insurance companies in Iran an appropriate context for the current study.

1.4. Research opportunity, research questions and definitions

Using a large representative sample, the problems to be addressed in this study are how organisations can develop in their employees positive, task-related, extra-role behaviours which can contribute to desirable customer outcomes in service environments, and how employees' state-like capabilities may influence these dynamics. In order to enhance customer satisfaction metrics, service firms have to support their front-line employees to "go the extra-mile". But there is a gap in the

literature regarding how a psychosocially safe working environment can nurture employees' ability to do this and thus achieve better customer outcomes. Through the positivity framework outlined earlier, the study will examine the impact of psychosocial safety climate (PSC) on customer outcomes in service companies as a result of employees' positive, task-related, extra-role behaviours. In addition to the lack of research on the effects of PSC on customer outcomes, to date there have been no research studies which examined the mediation effect of positive, task-related, extra-role behaviours in this relationship. There has been limited research focusing on the role of state-like capabilities of employees (e.g., psychological capital) on their customers' behaviour or behavioural intentions (Friend et al., 2016).

In this thesis it is argued that the organisational climate psychosocially supports the service employees' task-related and extra-role behaviours (i.e., adaptive and proactive service behaviours) and consequently positively influences or shapes customer outcomes. In addition to environmental factors, service employees' capabilities and characteristics may influence thiese behaviours both directly and through interaction with organisational climate. This study hypothesises that psychological capital, specifically employees' state-like capabilities at the individual levelinteract with PSC in affecting adaptive and proactive service behaviours in service companies. At both individual and team levels, a number of studies using the job-demand resource model have examined the effects of PSC as an upstream resource affecting employees' different demands negatively and resources positively (Dollard, Dormann, Tuckey, & Escartín, 2017; Dollard & McTernan, 2011; Dollard, Tuckey, & Dormann, 2012; Hall, Dollard, Winefield, Dormann, & Bakker, 2013). However, none of those studies examined the effect of PSC on employees' task-related, extra-role behaviours and specifically its "osmotic" or flow-through effect on customers'

behaviour and behavioural intentions. Thus, an extension of the research specifically examines the impact of PSC, being an internal organisational climate, on employees' task-related, extra role behaviour and on the organisations' external stake-holders, namely, the customers and their behavioural intentions towards the service provider.

The study proposes two research questions to address the research problem. The first concerns which policies, practices and procedures service organisations can adopt to foster employees' adaptive and proactive service behaviours to improve customers' behavioural intentions towards the organisation. The second examines the state-like capacities of employees that might might directly impact adaptive and proactive service behaviours and interact with PSC in affecting adaptive and proactive service behaviours. Through the lens of positive organisational scholarship, the first question explores the effects of management's philosophy manifested as PSC on customers' behavioural intentions through employees' positive task-related extra-role behaviours:

Research question 1: To what extent does psychosocial safety climate influence customers' behavioural intention through adaptive and proactive service behaviours?

The study proposed that state-like capability of service employees (i.e. psychological capital) affects adaptive and proactive service behaviours. It is also proposed that PSC and PsyCap interact in shaping adaptive and proactive behaviours. While one study has examined the mediating effect of PsyCap in the relationship between supportive organisational climate and employee performance (Luthans, Norman, Avolio, & Avey, 2008), no study to date has considered the interaction between PsyCap and organisational climate factors on employees' extra role behaviours. Therefore, research question two examines the impact of PsyCap on adaptive and proactive behaviours and its interaction with PSC:

Research question 2: To what extent does psychological capital affect adaptive and proactive behaviours directly and through interaction with psychosocial safety climate?

The findings of this study will enhance current knowledge of how organisational practices, policies and procedures relating to psychosocial safety can encourage service employees to "go the extra mile" in their service delivery tasks and improve the customers' positive behavioural intentions. The results will also provide an insight into how organisational climate and psychological capital can interact with each other to affect employees' task-related, extra-role behaviours. The direct effect of PSC on adaptive and proactive behaviours and its indirect effect on customers' behavioural intentions, along with the moderating effect of PsyCap, are unexplored areas especially in the context of service organisations.

The review of the literature on occupational health, positive organisational behaviour and adaptability in service roles, provided in Chapter Two, helps to situate these research questions and provides a theoretical framework that explains the underlying theory behind the hypothesised dynamics amongst the constructs of interest.

1.5. Contribution of the research

The main aim of the research is to develop and test a multilevel model of positivity to enhance service customers' engagement through positive, task-related, extra-role service behaviours, specifically, adaptive and proactive service behaviours. This thesis contributes to theory and practice in several ways.

First, the model of positivity presented here extends the literature in the fields of positive organisational behaviour (POB), positive organisational scholarship (POS) and services marketing, not only by considering positivity at different organisational levels, including at both the management and employee levels, but also by looking at the impacts of positivity on the customer service relationship. The positivity of

management philosophy which is reflected in the organisational climate facilitates service employees' behaviour that consequently enhances customer engagement.

Second, adaptive and proactive behaviours have been advanced separately in the marketing literature and in organisational studies. Some studies examined general-action adaptive and proactive behaviours simultaneously (Ghitulescu, 2013; Griffin et al., 2007; Griffin et al., 2010; Neal et al., 2012; Nguyen et al., 2016) in the contexts of organisational change or uncertain working environments. Therefore, an investigation of adaptive and proactive service behaviours, particularly service-specific types of adaptive and proactive behaviours, is an important endeavour given their importance in service environments. The difference between adaptive and proactive service behaviours focusing on customers' needs and other types of organisational adaptive and proactive behaviours makes empirically examining adaptive and proactive service behaviours a critical contribution to the service literature (Rank et al., 2007).

Third, this research integrates POB literature and a POS lens to explain how positivity in different levels of service organisations, that is PsyCap and PSC, can jointly motivate service employees' positive, task-related, extra-role service behaviours. Also, despite PSC and PsyCap having their origins in different organisational levels, both are comprised of various psychological elements and can combine, interact and create a constellation of positive psychosocial resources. Through a multi-level approach, principles of PSC, senior management commitment and support for stress prevention, management priority to psychological health, and organisational communication and involvement in health and safety, act as an organisational level support (Dollard et al., 2012) and prepare the work situation for employees to apply their individual state-like PsyCap resources (Luthans, Avey, Avolio, & Peterson, 2010).

Fourth, the study incorporates a POS lens and POB theoretical grounding to explain how a psychosocially safe working environment can spread the positivity inside the service organisation and even be transferred to customers, to the benefit all the stakeholders. This study incorporates the contagion effects of intra-organisational climate on extra-organisational outcomes (i.e., customer outcomes) (Hatfield, Cacioppo, & Rapson, 1994; Pugh, 2001). The PSC literature has examined the effects of PSC on employees' psychosocial health and engagement, but no study extends this effect beyond organisational walls to the customers. Integrating these theoretical foundations within a service context also allows future research to apply this positivity framework research into customer service.

Finally, the study's practical implications should assist service managers to provide a psychosocially safe working environment that improves service employees' motivation and capabilities in "going the extra mile" to address their customers' current and future needs and requirements. Service managers' acknowledgment of the importance of psychosocial safety climate is vital for not only service employees' health but also for engaging, retaining customers and building the basis for an on-going relationship. Merely undertaking prescribed task roles may not suffice to satisfy service customers, let alone encourage them to stay loyal and engage with the service organisation positively. Nurturing adaptive and proactive service behaviours among service employees is therefore very salient. It would not be practically possible to just hire service employees who are inclined to be adaptive and proactive. Thus, to increase service employees' adaptivity and proactivity, service organisations first need to create an organisational climate that demonstrates a caring attitude towards both internal and external organisational members' and their psychosocial health and safety. The result of this caring attitude in turn, inclines employees to take more risks and spend more time

and energy being empathetic, helping people, and being other-focused. To do so, senior service managers should embrace the philosophy of psychosocial safety climate relying on a balance between efficiency and health in their policies, procedures and practices. Employing the principals of psychosocial safety climate can be practically important in a developing economy such as Iran. Due to rapid and drastic economic and social changes, employees are vulnerable to psychosocial risks which are issues of growing concern specifically in developing countries.

Similarly, service organisations can develop other indicators of a psychologically positive work environment such as the degree to which team members share a sense of optimism, hope, self-efficacy and resilience (i.e., team psychological capital) which can also promote employees adaptive and proactive behaviours (Dawkins, Martin, Scott, Sanderson, & Schüz, 2018). In addition to embracing a PSC, service organisations need to develop team and individual PsyCap; to engage in dialogue and reflective practices that enhance and encourage goal-oriented discussions, the exchange of beliefs and the sharing of perceptions about the best ways in which a team can achieve its stated goals and overcome challenges. This can increase team PsyCap and consequently, nurture adaptive and proactive service behaviours.

1.6. Methodology

This study adopts a quantitative research design in accordance with the positivistic paradigm (Neuman, 2014) to address the identified research questions. A self-administered survey is employed as the means of data collection. As the focus of this study is investigating the effects of organisational policies, practices and procedures on different internal and external organisational levels, a multi-source design is adopted to develop the questionnaires. The focus is on team managers, team members and their

customers. The study uses established scales to examine the relationships outlined in the research framework.

1.7. Chapter summary

An overview and the foundation of the thesis is provided in Chapter 1. This chapter commenced with the background for the research, and then the context for the research was introduced. Research questions were developed based on the research opportunity and the definition for each construct is provided. The expected contribution to both theory and practice was discussed. The chapter concluded with a summary of the methods used in this study. The thesis now proceeds with Chapter Two which examines the literature and presents the theoretical framework. The chapter ends with the hypothesised conceptual model for the study.

Chapter 2: Literature review

2.1. Introduction

The main objective of this chapter is to develop a multi-level process model to explain how service employees' perceptions of their psychosocial work environment interact with their positive psychological capacities to influence adaptive and proactive service behaviours. In addition, the process model will also show how these behaviours promote customer engagement and repurchase behaviour in service organisations. To this end, the relevant literature on customer outcomes, service employees' task-related, extra-role behaviours, psychosocial safety climate and psychological capital is reviewed. In the theoretical framework section, the scholarship and theories that underpin the proposed model, specifically, scholarship from theories of occupational health, positive organisational behaviour and adaptability in service roles, are reviewed and integrated. The chapter sets out and traces the development of the hypotheses. The proposed conceptual model that frames the research concludes the chapter.

2.2. Customers' positive outcomes

Organisational success for service firms can be achieved through increasing customer retention, or lowering the rate of customer defection, because these two factors are the key determinants of the ability of a service firm to generate profits (Zeithaml, Berry, & Parasuraman, 1996). Customers' positive behavioural intentions constitute the major indicator of customers' future likelihood of staying in a service relationship. These intentions are shaped by the service firms' ability to encourage their customers to engage positively with the firm, remain loyal to that firm (i.e., repurchase from them) and to spend more with the firm by repurchasing from that firm (Cronin Jr, Brady, & Hult, 2000).

2.2.1. Customer engagement behaviour

Marketing and service literatures have traditionally focused on customer satisfaction, retention and increasing purchase intention being the result of direct, tangible interactions. However, customers interact with firms in ways that are different from a direct transaction (Kumar, Aksoy, et al., 2010). Over the past three decades customer management has departed from emphasising transactional aspects and tended to focus on the quality of the customer/service provider relationship (Pansari & Kumar, 2017). Firms have endeavoured to engage with their customers with the goal of increasing sales, loyalty and ultimately, profitability. The concept of customer engagement brings together several strands in thinking about more subtle, less direct and tangible ways in which the firm might influence customer behaviours, other than at the level of the direct transaction (Jaakkola & Alexander, 2014). Researchers and practitioners have increasingly recognized the importance of the firms' customer relationships by engaging customers with the firm and thereby fostering long-term interactions and profitability (Verleye et al., 2014). In short, customer engagement is a key requirement for enhancing firm performance, including building competitive advantage (Sedley & Perks, 2008), sales growth and profitability (Voyles, 2007).

Firms also recognise the potential for strong negative outcomes and damaging consequences to flow from inadequate or improper management of non-transactional behaviour. As the transactional side of the relationship can create a direct financial benefit for the firm, and so attracts great attention, but overlooking non-transactional behaviour may result in missed opportunities. These include developing new products or services as a result of feedback received; fixing a problem or defect by ignoring negative on-line posts, or achieving growth through word-of-mouth. In addition, whenever customer engagement behaviours are ignored, customers may be valued

wrongly (Kumar, Aksoy, et al., 2010) which may result in a miscalculation of marketing metrics (Gupta, Lehmann, & Stuart, 2004) leading to an inappropriate allocation of resources (Verhoef, Reinartz, & Krafft, 2010), and consequently of firm value.

The concept of engagement has been mentioned in a wide range of academic areas such as political science, sociology, psychology, and organisational behaviour (e.g., Achterberg et al., 2003; Resnick, 2001; Saks, 2006). In the organisational behaviour literature, engagement is defined as a focused, intense, persistent, and purposive cognitive and emotional, motivational state towards work-related goals (McShane, Von Glinow, & Sharma, 2011). Customer engagement has been discussed in the marketing literature as an activity of the customer toward the firm and other customers (Brodie, Hollebeek, Jurić, & Ilić, 2011; Kumar, Aksoy, et al., 2010; Vivek, Beatty, & Morgan, 2012). Scholars consider experimental and interactive aspects of customer engagement but definitions of customer engagement differ (Doorn, 2011).

Some studies consider customer engagement as an attitude (Brodie, Hollebeek, Juric, & Ilic, 2011) while others define it as a measurable behaviour (Van Doorn et al., 2010; Verleye et al., 2014), and others as both attitude and behaviour (Bowden, 2009; Hollebeek, 2011; Kumar, Aksoy, et al., 2010; Vivek et al., 2012). Brodie, Hollebeek, Juric, et al. (2011) defined attitude-based customer engagement based on the interaction between customer and firm through service dominant logic and they also considered customer engagement as a psychological state. Behaviour-based customer engagement is defined as a behavioural manifestation that goes beyond transactions toward the brand or firm (Van Doorn et al., 2010) or as a voluntary resource contribution of customers to a brand or a firm, that is concerned with matters beyond the transaction (Jaakkola & Alexander, 2014).

Kumar, Aksoy, et al. (2010) defined customer engagement as transactional or non-transactional active interactions of customers with firms, with prospects and with other customers. Also Bowden (2009) referred to customer engagement as a psychological process that underlies mechanisms that form customers' loyalty and also mechanisms that sustain loyalty that drives the repurchasing of a service brand. Hollebeek (2011) defined customer brand engagement as the level of customers' states of mind in brand interactions and which (i.e., the states of mind) are characterised by specific levels of cognitive, emotional, and behavioural activity.

As mentioned above, there are various ways of conceptualising customer engagement. However, most empirical studies- even the studies that adopted the attitude- and behaviour-based definitions- operationalised customer engagement as a behavioural manifestation (Kumar & Pansari, 2015). Therefore, this study adopted behavioural manifestation, in line with Van Doorn et al. (2010) construct of customer engagement behaviour (CEB). This is defined as a customer's behavioural manifestation caused by motivational drivers with a firm or brand focus, that go beyond transactions (Verhoef et al., 2010).

Despite various conceptualizations, customer engagement is generally considered a multidimensional concept (Pansari & Kumar, 2017). The multidimensionality of CEB implies that customers may choose different ways to engage (Van Doorn et al., 2010). Van Doorn et al. (2010) have discussed the dimensions of customer engagement, including valence, scope, impact, and customers' purpose, form and modality. Picking up the form as one dimension of customer engagement behaviours based on Van Doorn et al. (2010), CEB can take two specific forms, including customer-to-customer interaction (C2C) and customer to firm (and its employees) interactions (Verhoef et al., 2010). Based on the reasoning of Kumar,

Aksoy, et al. (2010), customer engagement behaviours are voluntary and discretionary customer behaviours toward the firm. Customers can show their engagement to the firm and its employees by participating in the processes of production, and/or service delivery, through providing feedback to the firm and employees, cooperating with employees, and complying with firm's rules (Verleye, Gemmel, & Rangarajan, 2013). Participating in the firm's activities and actions of service facilitation (Bove, Pervan, Beatty, & Shiu, 2009) and helping employees (Van Doorn et al., 2010) are different forms of cooperation. Thus, cooperation can be labelled as benevolent actions to assist and help employees to complete their tasks (Verleye et al., 2013).

Feedback behaviours, including suggestions for service improvement and voice (Verleye et al., 2013), are other customer engagement behavioural manifestations toward both firms and their employees (Bove et al., 2009; Liu & Mattila, 2015). Suggestions for service improvement could include customers' ideas and plans for improving the quality of service (Liu & Mattila, 2015) and can extend to agreeing to be involved in the development processes of new services and products (Kumar, Yadav, et al., 2010). Customer voice means directing complaints to the firm when problems occur (Bove et al., 2009). Compliance is another way of engaging with a firm (Van Doorn et al., 2010) that could be defined as the degree to which the customer conforms to the firm's procedures and regulations. Since the success of customer participation and quality of service depend on customers' compliance with organisational rules (Verleye et al., 2013), this form of CEB is also a relevant and valid perspective. These behaviours help customers have an impact on frontline employees' service tasks and achieve a compatible relationship with frontline employees (Verleye et al., 2013).

In addition to interactions with other customers, firms and employees, customers can show CEB in interactions with other customers beyond the purchase transaction

(Verhoef et al., 2010): through different channels (e.g., online vs. offline) (Bolton, 2011); by word of mouth behaviours, and helping other customers (Verleye et al., 2013). Customer-to-customer interactions are important in todays' modern society because of their impact on the customers' purchase intention (Bolton, 2011).

Helping other customers can take different forms, including showing empathy (Verleye et al., 2013), asking other customers to show patience or other suitable behaviours (Bove et al., 2009) and assisting others to enjoy a higher quality experience (Kumar, Yadav, et al., 2010). This type of CEB, because of its effects on frontline employees, can be considered as a behavioural manifestation of customer engagement toward both employees and other customers (Verleye et al., 2013). Word-of-mouth behaviours is the second form of C2C, and refers to informal communications between perceived non-commercial communicators and receivers in relation to specific issues/objects (Bove et al., 2009). It can include recommending a firm or brand to others, blogging and writing reviews (Bolton, 2011) which are, in some businesses, more important than repurchase intentions (Van Doorn et al., 2010). This type of CEB deserves specific attention because customers can be either supporters and advertisers of the firm or can also be critics (Verleye et al., 2013). Brodie, Hollebeek, Jurić, et al. (2011) point out that customer engagement may extend beyond dyadic interactive experiences, such as the interactions between customers and firms that occur among networks of customers and other firms' members. Therefore, customers can show customer engagement behaviours in a multiplicity of forms, including compliance, cooperation, feedback, helping other customers' and through, positive word of mouth. Needless to say, any contribution or communication about perceived quality of service (Verleye et al., 2013), as about any experience, can be negative or positive.

From a firm's perspective, customer engagement can be classified as positive or negative (Brady, Schultz, Fisher, & Ward, 2006). Positive customer engagement includes those actions that in the short and long run have positive consequences - financial and non-financial for the firm.

The positive potential of CEB can be nurtured and harnessed by fostering processes and venues to stimulate it (Thompson, 2005). CEB can also be enhanced by establishing incentives such as rewards for recommending a product or service. Suggestions must be made available to the right persons inside the firm so they can use it appropriately, such as to generate new product ideas (Van Doorn et al., 2010). Listening to customer feedback, particularly complaints, can create value for the firm (Fornell & Westbrook, 1984). Customer feedback, even in the form of a complaint, can be vital to improve firm performance. Clearly, capturing both formal and informal negative statements to get a complete assessment of customers' opinions is required to enhance the firm's ability to address them (Morgan, Santos, Green, Dean, & Reik, 2005). Customer feedback, even in the form of complaints, has several benefits to the firm, including the opportunity to recover from a failure (Liu & Mattila, 2015). Some organisational actions which are initiated by the firm to address customer feedback, if properly managed, can turn feedback into new opportunities (Voorhees & Orlowski, 2006).

Drivers of CEBs have been discussed in some studies (e.g., Jaakkola & Alexander, 2014; Pansari & Kumar, 2017; Van Doorn et al., 2010). In her conceptual study, Bowden (2009) discussed several measures that play a role in explaining the process of customer engagement, including trust and involvement (for existing customers), calculative commitment and satisfaction (for new customers), affective

commitment, and brand. Satisfaction and emotions are considered as antecedents of customer engagement in engagement theory advanced by Pansari and Kumar (2017).

The drivers of CEB, all of which contribute to creating the conditions for fostering CEB, are believed to originate in the focal firm, focal customers, and contextual factors (Jaakkola & Alexander, 2014; Van Doorn et al., 2010). Reasons why customers engage in behaviours beyond those of a buyer-seller interaction include attitudinal factors such as satisfaction, brand commitment, and trust, as well as customer goals, resources, and value perceptions (Van Doorn et al., 2010), relationship and communication with the firm and the perceived need for improvement (Jaakkola & Alexander, 2014). Firm-based drivers include industry type, brand characteristics, the firm's reputation, size/diversification, information usage (Van Doorn et al., 2010), ceding control to the customers, and the accessibility of the firm's spare resources to the customer (Jaakkola & Alexander, 2014). Finally, context-based drivers are competitive factors, political, economic/environmental, social, technological (Van Doorn et al., 2010) and other stakeholders' support (financially and in-kind contribution).

The results of an empirical study by Jaakkola and Alexander (2014) also confirmed that customers of online content are interested in engaging in non-transactional behaviours because they expect advantages, including social benefits such as reputation and enhanced knowledge, and economic benefits such as cost reductions.

Shaping CEB can be affected by context (e.g., service vs. product) and firm-based drivers such as the organisations' internal factors, including culture and climate. In the service industry, providing service is to some extent heterogeneous, having to take account of and reflect the customer's needs, attitudes, and emotions in every transaction (Pansari & Kumar, 2017). Further, customers are more likely to share their service experiences than their experiences of using products (Pansari & Kumar, 2017).

When service employees provide their customers with spontaneous and exceptional service, customers are more likely to engage in positive emotional responses (Bettencourt & Brown, 1997). Therefore, service customers' engagement in CEB can be affected by their emotions which are aroused during their interactions with service employees. The firm's internal climate can also affect customers' behavioural intentions toward the firm; however, this effect can happen only through service interactions. For example, Salanova, Agut, and Peiró (2005), in their study, claimed that service climate could indirectly affect customer loyalty through its (the former's) effect on employee performance.

In service environments, employees' general service performance (Liao & Chuang, 2004) and discretionary service behaviours can be one of the major drivers of CEB because these behaviours, in addition to their direct effects, can reflect the organisation' internal climate to the customers.

2.2.2. Customer repurchase intention

Customers' high repurchase intention is assumed to be one of the important measures of customer loyalty as it can result in sustainable financial benefit to a firm, in a reduction of marketing costs and a decrease in service costs (Netemeyer et al., 2005). Purchase and repurchase intentions are routinely used as the best predictors of purchase behaviour. In forming their intentions, customers are able to integrate the various factors that contributed to the formation of their intention, and that therefore affects their decision to purchase or not (Morwitz & Schmittlein, 1992). Customers' repurchase intention is important because there is a meaningful difference between the cost of firms' prospecting for new customers and the cost of their retaining existing customers (Maxham III, 2001; Yi & La, 2004). Many firms use repurchase intention as an index to appraise the long-term efficacy of loyalty or in customer retention programs because of

its positive impact on firms' long-run profit and future sustainability (Bolton, Kannan, & Bramlett, 2000; Hume & Sullivan Mort, 2010). Customer repurchase intention is defined as the customers' personal judgement about buying again a particular service from the same firm, considering their existing conditions and likely circumstances (Hellier, Geursen, Carr, & Rickard, 2003).

Several researchers have found prior attitude and satisfaction to be major antecedents of customer repurchase intention (Hellier et al., 2003). It means that when customers are generally satisfied with their service experiences, they intend to purchase the service again and decide to stay in the service relationship (Bolton et al., 2000). Specifically, service relationship studies showed that the duration of the relationship between the customer and firm depends on satisfactory service experience with the firm (Bolton, 1998). On the other hand, studies on customers switching behaviour in service firms found that inconvenience and a failed service relationship can cause a switching decision (Keaveney, 1995). Bolton et al. (2000) confirmed that customer service experience affects repurchase intention and usage level of the service. Bagozzi (1992) explained how customers' service experience affects their behavioural intentions, including their repurchase intention. That is, the initial evaluation of their experience with the service leads to an emotional reaction that, in turn, drives behaviour. Emotions communicate and stimulate individuals to behaviours and provide them with reasons for actions (Hume & Sullivan Mort, 2010).

Customer intention to repurchase from a firm is one of the best indicators of customers' positive experience with the service relationship and their loyalty (Oliver, 1997). The interaction between customers and service employees plays a significant role in shaping such intent. For example, research results revealed that employees' positive relationships with customers could increase purchase intentions (e.g., Brooks, 1989;

Moine, 1982) and continuing purchase intention is embedded in customer loyalty (Gremler & Gwinner, 2000). Several studies examined positivity in an interpersonal relationship, such as, emotional positivity in a relationship (Bernieri, Davis, Rosenthal, & Knee, 1994), positivity and coordination of interaction (Richardson, Marsh, & Schmidt, 2005) and positivity in the form of mutual friendliness and caring (Gremler & Gwinner, 2008). Positivity in employee-customer relationship can be perceived as drivers of good services (Wang & Groth, 2014) and can result in higher likelihood of purchase and repurchase intention (Gremler & Gwinner, 2000).

In addition, studies have shown that service employees' in-role and extra-role behaviour positively affects customer satisfaction, loyalty and purchase intention (Bettencourt & Brown, 1997; Netemeyer et al., 2005). Maxham III and Netemeyer (2003) confirmed that customer-directed, extra-role behaviour (defined as the degree to which employees make more effort than is expected for their customers, rated by customers) enhanced customer perceptions of justice. Customer-directed extra-role behaviour has been found to have a stronger positive effect on customers' purchase intention than in-role behaviour. This is thought to be because employees' extra efforts could delight customers in their relationship with the firm and enhances their repurchase intention (Netemeyer et al., 2005). Specifically, in service relationships, service employees may perceive exerting extra efforts as an effective way to improve customer evaluations of service.

Having discussed the customer outcomes to be examined in the current study, including customer engagement behaviour and customer repurchase intention, service employees' task-related behaviours will be discussed next, as important factors in shaping customer outcome.

2.3. Employees' task-related service behaviours

The basic characteristics of services – that they are customer-based relationships; customers are involved in service production; that they are intangible, and production and consumption are inseparable– all contribute to the significance of service employees' role in shaping customers' behavioural intentions (Gremler & Gwinner, 2000; Lovelock & Gummesson, 2004). Positive relationships between employees and customers can enhance customer evaluations of products and services resulting in their positive behaviour and future behavioural intentions. Positive employee-customer relationships in a long-term service relationship can establish formal and informal ties between service providers and customers. Moreover, empirical studies show that pleasant service encounters can affect customers' positive behavioural intentions, such as positive word of mouth (Gremler, Gwinner, & Brown, 2001).

Although the role of front-line employees is significant among a variety of businesses, the intangibility of many services makes their impact on customers' intentions and/or decisions salient. Because of the intangible nature of services, the evaluation of service quality is difficult for customers, so they often consider other aspects of services, such as their relationship with service employees, to assess the quality of the service, which then influences their behavioural intentions (Gremler & Gwinner, 2000).

In addition, customers' central role in service delivery and the coincident aspect of production and consumption creates the opportunity for service employees to influence customer behaviours and behavioural intentions. Therefore, service employees' work roles and behaviour are critical for service firms because they can positively affect service assessment and consequently, customer behaviour (Gremler & Gwinner, 2000).

It is widely accepted that the job-related behaviour of contact service employees is crucial for service organisations' success and effectiveness (Borucki & Burke, 1999; Johnson, 1996; Liao & Chuang, 2004; Solomon, Surprenant, Czepiel, & Gutman, 1985). Service firms are confronted with intense competition resulting in increased customer expectations of their service providers (Wilder et al., 2014). In this competitive environment, service employees need to do more than simply fulfil formal tasks, but rather behave beyond the completion of core tasks to meet customer needs and organisational goals (Nguyen et al., 2016). However, all aspects of work performance are not equally effective or desirable among service employees who deal with a wide range of customers' needs and expectations (Johns & Howard, 1998). Conflicting and quickly evolving customer needs and expectations (Raub & Liao, 2012) restrict the effectiveness of formalized work roles in achieving organisational success (Bowen, 1990; Griffin et al., 2007). Customers' perception of service quality, therefore, do not only depend on service employees' formal work roles and their performance (Liao, 2007). Discretionary service behaviours beyond formalised job tasks are prominent in customers' service assessment (Raub & Liao, 2012); therefore, the need for research on service "extras" has been emphasized in the service literature (Rank et al., 2007).

In today's competitive environment, service employees' are expected to do more than their formal tasks, they need to be adaptable to customers' needs and expectations; they need to be proactive and take initiative to predict future service problems (Griffin et al., 2010; Nguyen et al., 2016). Positive discretionary service behaviours, which are comprised of adaptive and proactive role behaviours, unlike other types of positive extra-role behaviours such as organisational citizenship behaviour (Smith, Organ, & Near, 1983), are relevant because both are task-related and are responses to

unpredictable working environments (Nguyen et al., 2016). In particular, positive discretionary service behaviours such as adaptivity and proactivity, are hard to formalize (i.e., script), pre-design, or describe (Griffin et al., 2007). These behaviours are normally self-started actions rather than directed, delegated or imposed by others (Griffin et al., 2010).

Positive discretionary service behaviours (i.e., adaptive and proactive service behaviours) are vital in jobs with high demands and high control, because formal task elements (scripts, job or procedure statements) hardly cover what is required for achieving positive customer outcomes (Nguyen et al., 2016). In the service environments that are characterised by customer-based relationships, adaptive service behaviours are important because employees need to deal with and act in response to unpredictable customer needs and expectations. For instance, a service employee may need to consider work priorities and offer adapted services in order to deal with the changing needs of customers. It is important that service behaviour is proactive, because there is less likelihood that task requirements can be known in advance in service relationships. Employees therefore need to be capable of predicting the customer's needs or problems and acting or behaving proactively. For example, a service employee needs to be able to proactively scan the working environment, anticipate problems and act on them before they become unsolvable (Nguyen et al., 2016).

2.3.1. Adaptive service behaviour

Adaptivity is the process of coping with, responding to and changing to suit a new context, situation or target (Griffin et al., 2007). Adaptivity has been construed in occupational literature as a composite of knowledge, skills and dispositions, that can influence the general capacity and tendency for individuals to engage in adaptive behaviour (Jundt et al., 2015). Scholars in management and marketing have studied

adaptivity as one aspect of an employee's behaviour or performance (Griffin et al., 2007; Griffin et al., 2010; Park & Deitz, 2006; Pulakos et al., 2000; Weitz, Sujan, & Sujan, 1986). In line with this interpretation of adaptivity, adaptive behaviour reflects the degree to which individuals involved in responding positively to unexpected circumstances make more contributions in their work role (Griffin et al., 2010). Specifically, adaptive behaviour in workplaces is a behavioural response to demands through readjusting priorities and shifting focus whenever required (Ghitulescu, 2013; Nguyen et al., 2016).

Adaptive behaviour in an organisation is an employees' positive response to ongoing environmental or situational demands (Baard et al., 2014; Strauss et al., 2015). In their taxonomy of adaptive performance, Pulakos et al. (2000) identified eight facets of adaptivity common to a wide range of jobs, including handling emergencies or crisis situations; handling work stress; solving problems creatively; dealing with uncertain and unpredictable work situations; learning work tasks, technologies, and procedures; interpersonal adaptability; cultural adaptability, and physical adaptability. Thus, the demands experienced in the working environment determine the type of adaptation required. New competition, changing technologies, and evolving customer demands are the major demands that confront employees (Griffin et al., 2007), and consequently are the primary sources or drivers of the need for and value of adaptive behaviours.

Sales and service employees are regularly involved in highly demanding interactions with customers (Babakus, Yavas, & Ashill, 2009; Chan & Lam, 2011). According to role theory (Biddle & Thomas, 1966), employees who adapt their behaviour to different customers are more likely to meet customers' expectations appropriately and consequently to increase customer satisfaction (Coelho & Henseler, 2012).

Satisfied customers are more likely to stay loyal to their relationship with the firm. According to social exchange theory (Adams, 1965), customers remain loyal in a relationship if the attractiveness of adapted and offered services overweighs the switching costs (Coelho & Henseler, 2012). Although both sales and service employees have the goal of satisfying customers, there are differences between customers' behavioural intentions towards sales and services (Coelho & Henseler, 2012). For example, because most services are interrelated or interdependent, the consumer of services is likely to transfer their emotions to a larger bundle of experiences than the consumer involved in a one-off transaction, such as a straightforward purchase. It follows that there is likely to be increased loyalty to a firm providing services when emotions are positive compared with a firm conducting tangible transaction (Sierra & McQuitty, 2005).

The formation of adaptive behaviour by service employees is a complex process that needs to take into account and reflect a number of intangible, unknowable factors, dynamics and considerations. Adaptive behaviour in a service context can take several forms. The first is adaptation of the service offering, which means modifying the service based on the customer's needs and requirements. The second is interpersonal adaptive behaviour, which refers to service employees' effort to adjust their behaviour to the interpersonal demands of the service relationships. Finally, there can be a combination of these two dimensions (Gwinner et al., 2005). It has been observed that adaptive behaviour is more relevant in the service setting than in the context of sales (Wilder et al., 2014), because it is relatively more effective in shaping the behaviours of service customers than of consumers of goods (Gwinner et al., 2005).

Adaptive service behaviour is a desirable behaviour that is considered to be a solution to the evolving customer needs and expectations for greater variety, more

specialised, and higher quality services (Coelho & Henseler, 2012). Satisfaction from a service derives from both the service content and the means of delivering the service, namely, the interactions with the service employees. The first step of service adaptation is understanding the customer's needs, which requires the service employees to be empathic and knowledgeable (Wilder et al., 2014). Then, service employees need to provide creative alternative services to meet those needs (Coelho & Henseler, 2012). In terms of the two main components identified in the definition of adaptive service behaviour, service employees' can propose to alter the service offering and/or to adjust their interpersonal behaviour to better address and satisfy perceived consumer needs (Gwinner et al., 2005).

Drawing on motivational theories, individual differences and contextual factors can explain the extent to which service employees' engage in adaptive service behaviour (Baard et al., 2014; Leischnig & Kasper-Brauer, 2015; Weitz et al., 1986). For example, because adaptive behaviour in a service environment aims at satisfying customers' needs (Wilder et al., 2014), employees' cognitive and affective resources (personal resources) are important factors in their determination and motivation to engage in adaptive behaviour (Wang, 2012). However, although employees' individual differences can shape their motivation to be adaptive, contextual factors can determine how an employee apprises their work environment in terms of what is meaningful for them and for their customers (Wang, 2012). Regardless of the service employees' internal motivation, to promote adaptivity, service firms need to provide employees with a psychologically supportive working environment, which instils a sense of being supported and being supportive (Wilder et al., 2014).

2.3.2. Proactive service behaviour

In addition to adaptivity, proactivity is also a key aspect of service provision. Proactivity is about creating or controlling a situation rather than reacting to it after it has happened (Parker et al., 2010). Several authors have defined proactive behaviour in an organisational context as "initiating actions to improve current circumstances or creating new ones aimed at challenging the existing state rather than passively adapting present conditions" (Crant, 2000, p. 436, p 436). Thus, proactive behaviour includes self-starting and change- or future-oriented actions aimed at solving problems, recommending improvements, or taking long-term responsibilities for an issue (Ohly & Fritz, 2010).

Some scholars (e.g., Bateman & Crant, 1993, 1999; Crant & Bateman, 2000) consider change-orientation as one element of proactive behaviour, but others (e.g., Ashford et al., 2003; Ashford & Cummings, 1985) argue that a desire for change is not necessary for people to engage in proactive behaviour. The goal of engaging in proactive behaviours is not necessarily to effect environmental change; some engage in proactive behaviour to modify their own behaviour in response to environmental needs (Crant, 2000).

Parker et al. (2010) have also identified proactivity as a goal-driven process involving both setting a goal and achieving that goal. Taking this perspective, it follows that proactive behaviour can be motivated, conscious, and goal directed (Parker et al., 2010). Thus, proactivity can be considered as a constructive and anticipatory work behaviour that is intended to be consistent with organisational goals (Schmitt, Den Hartog, & Belschak, 2016). As proactive behaviours are widely considered to be goal-driven, different organisational contexts and goals can determine the targets or objectives (i.e., goals) towards which the proactive behaviour might be directed

(Belschak & Hartog, 2010). From this perspective change-direction can be considered to be an aspect of proactive behaviours, depending on the context.

Proactive behaviour can derive from different goals, such as to avoid a problem, to conform with the organisational culture, or to create a positive impression. Proactive behaviours can occur in different contexts and they can be linked to many personal and organisational processes and outcomes. Therefore, in different contexts proactive behaviours might be directed at different targets (Parker, Williams, & Turner, 2006).

Rank et al. (2007) developed a measure of context-specific proactive behaviour for service employees, which is focused on customers' needs. Proactive service behaviour is therefore clearly customer-oriented and involves proactively developing solutions to anticipated customer demands. Nevertheless it does not necessarily entail the communication of critical opinions or suggestions for change in one's work group (Rank et al., 2007). For example, proactive service employees may recommend products or courses of action that serve customer needs better than those currently available. In addition, they may use their own initiative to act proactively to help their customers. They may decide to do the right thing without being prompted by supervisors, colleagues or even customers (Raub & Liao, 2012).

Proactive service behaviour goes beyond formal task behaviour (Crant, 2000; Fuller et al., 2006; Parker et al., 2010; Sonnentag & Starzyk, 2015). Employees can engage in proactive activities as part of their in-role behaviour in which they directly fulfil the organisation's prescribed core tasks, either by executing its technical processes or by maintaining its requirements (Crant, 2000). Proactive behaviours can also be in the form of extra-role behaviours, which could be voluntary and relate more closely to social circumstances (Rank et al., 2007). The key criterion for identifying proactive service behaviour is not whether it is in-role or extra-role, but rather it is whether the

employee anticipates, plans for, and attempts to create a positive future outcome that has an impact on the self, or the customers (Parker et al., 2010).

Drawing on the model of proactive motivation (Parker et al., 2010), three fundamental cognitive, motivational processes drive employee engagement in proactive service behaviour: a "can do" motivation that relies on employees' ability to engage in proactivity; a "reason to" motivation that indicates the employees' inclination to be involved in proactivity (Raub & Liao, 2012), and an "energized to" motivation which indicates that positive affect can promote proactivity because activating positive affect can broaden the individual's flexibility to take risks, think more broadly, and develop more positive expectancies (Sonnentag & Starzyk, 2015).

Proactive motivational states, including the "can do", "reason to" and "energized to" states, can motivate service employees to achieve proactive goal setting, to make desirable impressions on their customers and to increase customer engagement and repurchase intention (Parker et al., 2010).

Service employees' positive affect can create energetic feelings, such that they are minded to come up with new ideas about improving service procedures and take action to initiate service behaviours exceeding those demanded by customers or supervisors (Raub & Liao, 2012; Sonnentag & Starzyk, 2015). It is believed that proactive motivations persuade service employees to achieve proactive service goals. However, characteristics of the work environment and employees' individual characteristics can affect service employees' motivation to be proactive (Belschak & Hartog, 2010; Crant, 2000).

Tangible, measurable positive behaviours that can have a direct performance impact are considered to be the results of individual variables such as positive traits and states, as well as organisational characteristics (Luthans & Youssef, 2007). Thus,

organisational characteristics such as organisational climate and individual variables can shape task-related behaviours through motivational mechanisms, specifically positive affect. Organisational climate (in this study, psychosocial safety climate) and employees' state-like psychological resource capacity (psychological capital) are discussed in the next sections as they are argued to be the main factors affecting service employees adaptive and proactive service behaviours.

2.4. Psychosocial safety climate

Organisational factors, such as leadership and climate, can motivate employees to support organisational goals (Oreg, Vakola, & Armenakis, 2011). Managers' work philosophy can shape the organisational context and provide employees with opportunities to engage in adaptive and proactive behaviours (Ghitulescu, 2013). Organisational context shapes these behaviours because it influences the employees' perception and understanding of appropriate or possible job-related behaviours (Johns, 2006). Context can shape employee adaptive and proactive behaviours and make organisational goals more or less likely to be achieved (Ghitulescu, 2013). In particular, workplace climate has a strong impact on an organisation and its members. Climate research studies employees' subjective perceptions of the work environment and its impact on their attitudes and behaviours (Schneider, 2000).

Organisational climate was originally conceptualized as a global construct that enabled the examination and understanding of the determinants of employee behaviours and their consequences in organisations (Kozlowski & Klein, 2000). It is defined as "a set of shared perceptions regarding the policies, practices, and procedures that an organisation rewards, supports, and expects" (Kuenzi & Schminke, 2009, p 637). According to this definition, organisational climate is a distinctive and conceptual construct with a collective nature.

As a result of conceptual and methodological confusion in climate research and literature, the focus of climate researchers switched from global to facet-specific climates (Kuenzi & Schminke, 2009). Facet-specific climates represent a specific aspect of the organisational context such as ethics climate (Victor & Cullen, 1987, 1988), service climate (Schneider, White, & Paul, 1998), innovation climate (Anderson & West, 1998), justice climate (Naumann & Bennett, 2000), safety climate (Zohar & Luria, 2005), diversity climate (McKay, Avery, & Morris, 2008), and psychosocial safety climate (Dollard & Bakker, 2010). Facet-specific climates co-exist under the umbrella of an overall organisational climate; thus, many of them can coexist in an organisation at any given time.

Top management in every organisation plays an important part in establishing an organisational climate. Organisational policies, practices, and procedures and organisational members shared perceptions of them (Dollard & McTernan, 2011), generally accord with senior managers' values, beliefs and actions (Hall, Dollard, & Coward, 2010). Where top managers consider the psychological health of employees is as important as the economic goals, the organisational policies, practices and procedures reflect a balance between efficiency and health. The philosophy, values and actions of management determine what is called the psychosocial safety climate (PSC) of an organisation (Dollard & McTernan, 2011). In other words, the organisational climate in relation to an efficiency-health balance (Dollard & McTernan, 2011). Dollard and Bakker (2010) defined PSC as a facet-specific dimension of organisational climate that refers to shared perceptions of "policies, practices and procedures for the protection of worker psychological health and safety" (p. 580). PSC is an "up-stream" resource which is affected by senior management philosophies, values and attitudes and which, through the provision of a psychosocially safe work context (i.e., high PSC), will enhance

employees' psychosocial safety, well-being and job engagement (Dollard & Bakker, 2010).

A high PSC refers to a working environment where managers are committed to providing psychosocially safe and healthy working conditions for employees. To this end, managers ensure that job demands that can deplete employees' cognitive, emotional and physical resources can be controlled. In addition, they make sure that employees have an optimum level of resources to accomplish the related tasks through redesigning the job (Dollard & McTernan, 2011). High PSC promotes working conditions with manageable job demands, such as a manageable workload, controllable psychological/emotional demands and high job resources, all of which can lead to high job engagement and performance.

In general, high PSC is characterised by senior management support, involvement and commitment to employees' psychological health (Dollard et al., 2012), and by the priority that management gives to psychological health and safety versus productivity goals (Hall et al., 2010). High PSC is evident where there are well-established upward and downward organisational communication systems in relation to psychosocial health and safety and organisational involvement in stress prevention and psychological well-being (Dollard & McTernan, 2011; Hall et al., 2010). PSC characteristics imply that senior management, in a high PSC, act quickly to address and correct psychological health issues (Idris, Dollard, Coward, & Dormann, 2012). Managers also have the discretion to offer a variety of job resources, such as work flexibility, autonomy and social support that can mitigate work pressures (demands) and work stress to enhance employees' psychological health (Dollard et al., 2017). Therefore, as PSC is an organisational resource that is expected to have an effect on

work context, low PSC results in poor job design, excessive levels of job demands and poor performance (Dollard & Bakker, 2010).

PSC's positive effect on employees' work engagement, well-being and job satisfaction is supported in the literature (Dollard et al., 2017; Hall et al., 2013). However, employees' extra-role and/or risk-taking behavioural performance is still an unexplored area in relation to PSC. In high PSC, when working teams and/or team members conceive the organisational climate as a psychosocially safe, they feel safe to take the risk of engaging in extra, risk-taking behaviour which is specifically important in a service environment. PSC can provide not only a wide range of instrumental, social, and emotional resources for employees' extra efforts but can offset the detrimental effect of psychosocial hazards such as work stress. In addition to a psychosocially safe work climate, the employees' individual state - that is, their psychological capital - can affect their task-related service behaviours.

2.5. Employees' state-like psychological resource (psychological capital)

Positivity in organisations has been described as involving ''elevating processes'' that result in extraordinary performance and incredible achievement (Cameron & Caza, 2004, p 3), brought about through ''intentional behaviours that depart from the norm'' of the organisation (Youssef-Morgan & Luthans, 2013, pp., p 198). Luthans and Youssef (2007) suggest positivity in the organisation is the intersection between positivity in organisational characteristics and positivity among organisational members, including individuals or teams. In real organisational life, the cross-level interactions among individuals, groups and the organisational and cultural context shape individual and organisational outcomes (Avey et al., 2010). In other words, positivity at the organisational level interacts withthe positivity of the other levels of the organisation (i.e., team and individual levels) and trickles down to extra-organisation

levels such as customers (Friend et al., 2016; Youssef-Morgan & Luthans, 2013). Interactive positivity of different organisational levels in a sales or service environment results in positive outcomes for the organisation, its members and consequently flows through to positive customer outcomes.

Psychological capital (PsyCap), the main construct in ‘‘positive organisational behaviour’’ is a form of positivity at an individual and/or collective level. PsyCap refers to state-like positive personal and/or collective motivational resources, which can drive positive and extraordinary organisational behaviour and performance. In the competitive working environment, the state-like (and thus open to development) characteristic of PsyCap plays a significant part in improving employees’, teams’ and organisations’ capability to adapt to the work environment’s various situations (Friend et al., 2016).

Drawing on the scientific criteria for positive organisational behaviours, namely that they are developable, measurable and manageable for performance improvement, PsyCap is considered as a synergistic interaction of positive resources of: Hope, Efficacy, Resiliency and Optimism. Hope means (“persevering towards goals and, when necessary, redirecting paths to goals”). Efficacy refers to (“having confidence to take on and put in the necessary effort to succeed at challenging tasks”). Resiliency means (“when beset by problems and adversity, sustaining and bouncing back and even beyond to attain success”). Optimism is (“making a positive attribution about succeeding now and in the future”) (Luthans, Avolio, Avey, & Norman, 2007: p.3).

Evolving work environments have changed both employers’ expectations of their employees’ contributions and also employees’ expectation of their jobs and employers. Employers expect their employees to do more than prescribed work roles and undertake extra-role behaviours. Also, employees’ expectations have changed from having job security and being well paid to receiving personal and career development. In this

working environment, the impact of PsyCap is expected to go beyond in-role performance improvement to extra-role performance that can result in desirable outcomes for individuals, the organisation and customers (Avey et al., 2010). Youssef-Morgan and Luthans (2013) have used the acronym HERO (hope, efficacy, resiliency and optimism) to emphasise the importance of PsyCap as a multi-faceted, positive, psychological resource in creating "heroes" that can show extraordinary performance and help others to flourish.

The results of a meta-analysis showed that higher levels of PsyCap in workplaces are positively associated with positive outcomes, including in-role and extra-role behaviours, satisfaction, commitment, and wellbeing and negatively associated with outcomes such as cynicism, stress, anxiety, turnover intentions, and counterproductive behaviours (Avey et al., 2011). The underlying mechanism to explain how PsyCap can develop positive outcomes is via the four positive psychological resources. People with high levels of PsyCap are confident that they are able to undertake tasks successfully even in a changing and uncertain environment. They optimistically attribute success to internal and permanent causes. They hope to achieve their goals, thus they never give up (Youssef-Morgan & Luthans, 2013). Finally, when facing problems, they demonstrate resilience, find a solution and recover quickly from the setback, so they sustain. Those high in PsyCap have a sufficient amount of developmental, cognitive and motivational resources to persevere, be successful and sustain (in) performing their different roles.

The state-like malleability of psychological capital with its focus on performance that impacts at both individual and collective levels underscores the importance of these motivational and behavioural tendencies (Dawkins et al., 2015) with respect to service employees' behaviours (Friend et al., 2016). In other words, during highly demanding and rapidly changing interactions between service employees and customers, the state-

like components of PsyCap, namely, self-efficacy, optimism, hope and resilience, can act as a valuable personal resource in meeting the demands or performance improvement requirements of service employees.

In addition to the performance effect of PsyCap, research recognises PsyCap's transference/contagion impact between the different levels of an organisation. According to the principles of social contagion individuals adopt attitudes and beliefs of the people with whom they are in contact (Dawkins et al., 2015). The contagion effect explains how PsyCap transfers positivity within relationships (Story et al. 2013). In sales and service environments, where several different organisational levels interact (management, employees as well as customers) it is important to note that PsyCap can facilitate transferring positivity between the different levels of the organisation.

The multilevel nature of positivity is suggested by Friend et al. (2016) as a model for PsyCap in a sales context. They propose that PsyCap has a positive effect on sales employees' attitude, behaviour and performance at an individual level. Drawing on the contagion effects of PsyCap, they also theorise that PsyCap positively influences sales employees' relationships with different levels of the organisation, referred to as an intra-organisational outcome of PsyCap. Moreover, they extend the impact of PsyCap beyond the organisation's boundaries to include customers. Achieving positive outcomes is not only possible by having high levels of PsyCap, but positivity in the working environment can develop positive behaviours leading to optimum functioning and other intra- and extra-organisational positive outcomes.

Having unpacked the key constructs of customer engagement behaviour, customer repurchase behaviour, task-related service behaviours (adaptive and proactive service behaviours), psychosocial safety climate and psychological capital, the hypothesises for the current study will now be developed.

2.6. Theoretical framework and hypothesise development

2.6.1. Theoretical framework

In this section, the theoretical framework for the study is developed so as to shape the conceptual model to be tested. The proposed model explains how employees' perceptions of their psychosocial work environment interact with their positive psychological capacities to influence adaptive and proactive service behaviours that promote customer engagement and repurchase intention in service organisations. To explain the proposed model, scholarship from theories of occupational health, positive organisational behaviour, positive organisational scholarship and adaptability in service roles are reviewed and integrated.

Positive organisational scholarship (POS) provides insight into the creation of virtuous and ethical working environments (Cameron et al., 2003). This approach offers a new lens to explore several constructs from traditional organisational studies that are indicators of individual or collective development and strength-building, constructs such as engagement (Kahn, 1990), prosocial behaviour (Brief & Motowidlo, 1986) and proactivity (Grant & Ashford, 2008).

In addition, the POS lens provides a mechanism for explaining the processes and characteristics that enable flourishing and strength building. This lens enables scholars to recognise the elements and dynamics that generate the optimal functioning of organisations and the development of strengths and capabilities of organisational members at different levels of analysis, including individuals, dyads, groups and organisations (Dutton et al., 2007). In this way, traditional constructs can be integrated into the POS perspective. Specifically, the underlying mechanisms of the POS lens can explain how organisational practices or environments develop human strength, reinforce resilience, promote vitality as well as out-of-the-box individual, team and organisational

performance (Cameron & Caza, 2004). Characteristics of organisations such as organisational culture, climate, networks and other organisational features can build capabilities at the organisational level through the mechanisms of POS that contribute to improving resource building in other levels of the organisation. Therefore, positive meaning-making, experiencing positive emotions and positive inter-relating, as mechanisms of the POS lens, can help explain how positivity in the organisational environment can percolate or penetrate through and between different organisational levels.

Positive meaning-making is the process that helps individuals or collectives to perceive or appraise events, relationships, and the self as positive (i.e., good, desirable or beneficial in some way) (Ignelzi, 2000). Through positive meaning-making processes, people reappraise or revise the meaning of their jobs, relationships and perceptions of their working environment in a positive way. In organisations, when employees appraise what they are doing as a being meaningful, significant and positive (Pratt & Ashforth, 2003), these new ways of making meaning activate their emotions, motivations and resultant behaviours which, in turn, contribute to the development of personal and/or collective strengths. Positive meaning can motivate employees to go the extra mile and depart from the norms of the organisation to help satisfy other stakeholders' needs (Spreitzer & Sonenshein, 2003).

Experiencing positive emotions as the second mechanism of POS happens where there is a lack of negativity. Positive emotions are "short term states of felt activation by individuals or collectives" (Fredrickson, 1998, p. 300) that can build long-lasting personal or collective resources through broadening "momentary thought action repertoires" (Fredrickson, 2003). Thus, positive emotions can provide the conditions for flourishing and strength-building (Fredrickson, 1998; Fredrickson, Cohn, Coffey, Pek,

& Finkel, 2008). Positive emotions create and develop a broad-range of cognitive resources that enable creative thoughts and actions (Ashby & Isen, 1999; Fredrickson et al., 2008). However, this mechanism may not be critical to the individual's or the collective's short-term health and safety (Carver, 2003; Cosmides & Tooby, 2000). Rather, positive emotions predict positive individual and organisational outcomes in the long-term because of the effect on cognitive resource building. Therefore, positive emotion catalyses the development of resources which are required for flourishing, such as creativity at the individual and group levels (Amabile, Barsade, Mueller, & Staw, 2005; Rhee, 2006).

Positive interrelating is the third mechanism of POS, focusing on the patterns of interaction among people in which different parties experience mutual, trusting, respectful and beneficial relationships (Dutton & Ragins, 2007). This mechanism is important because interactions shape people's social experience in organisations. Relationships are dynamic and can be affected by the emotions, thoughts and behaviours of engaging parties while interrelating with each other. More importantly, social processes and connections in organisations are critical for understanding how work is accomplished. Thus, positivity in relationships reflects how healthy and well-functioning the organisation is (Stephens, 2011).

Mechanisms from the POS lens can thus contribute to multilevel organisational studies specifically by providing the explanation for how organisational level constructs (driven by top management that shape the organisational context) can infuse positivity to other levels of the organisation. Hence, this study proposes that senior management who are committed to employees' well-being (high PSC), support service employees to engage in task-related extra-role behaviours to aid both the organisation and its customers. The policies, practices and procedures that can be perceived by employees

(and even customers) as a psychosocially safe climate (Dollard & Bakker, 2010) provide them with a secure environment and cognitive and motivational resources required in ASB and PSB, which many subsequently affect customer engagement and repurchase intention.

In addition to the effect of a high PSC, the positivity of the participants (i.e., their positive traits and states) can result in positive, task-related behaviours. Luthans and Youssef (2007) suggested that the intersection between individual states and traits and positive organisational characteristics could shape employees' resultant positive behaviours, including organisational citizenship behaviour, positive deviance and courageous principled action. Thus, it can be proposed that tangible, measurable positive behaviours of service employees (i.e., ASB and PSB) that are discretionary and have a positive effect on flourishing service organisations, specifically from the customers' viewpoint (Bakker & Schaufeli, 2008), can be shaped by PSC and its interaction with employees' positive, state-like psychological capital.

The traditional emphasis on efficiency goals in service organisations needs to be balanced against meeting the needs of the organisational members. Employees need organisations that care about their psychosocial health and safety (Hall et al., 2010) and jobs that offer identity, fulfilment and personal development opportunities (Avey et al., 2010). Therefore, PsyCap theory integrates the primary requirements of organisational efficiency and the need for positivity, flourishing, and human fulfilment at work (Avey et al., 2010).

Relying on the multilevel nature of positivity (Luthans & Youssef, 2007) and the positive organisational lens, this study proposes a multi-level framework for service organisations that explains how a high psychosocial safety climate at an organisational-level interacts with psychological capital at the individual-level, to shape employees'

adaptive and proactive service behaviours thereby improving customers' customer engagement behaviour and repurchase intention.

2.6.2. Hypothesis development

Psychological capital and extra-role, task-related service performance (ASB and PSB)

Both theory and empirical studies support the positive effect of PsyCap not only on work attitudes and behaviours but also on extra-role behaviours in organisations (Avey et al., 2010; Luthans, Avolio, et al., 2007; Luthans et al., 2008). This study extends the existing literature on PsyCap by investigating task-related, extra-role service performance indicators, operationalized as ASB and PSB. The "above-and-beyond" and "extra-role" nature of ASB and PSB are specifically related to broader, holistic, integrated outcomes of PsyCap. The integration of four positive psychological resources of hope, efficacy, resilience, and optimism represents the core construct of PsyCap (Avey et al., 2011). Each positive resource of PsyCap adds a special quality to the construct, which can drive ASB and PSB. Efficacy and hope can activate internalized motivation and energy to achieve success by instilling belief in one's individual abilities (Avey et al., 2010). Hope can provide internalized motivation, energy, and perseverance for an efficacious person to pursue his/her goals. Efficacious and hopeful employees are highly motivated to set challenging goals for themselves toward success. In serving customers, hopeful service employees are able to generate alternative services to make their customers satisfied because they always hope to find an alternative or backup plan for every specific need. Hope and self-efficacy are more likely to link to a specific goal or domain. However, optimism tends to be more general and can create a global positive expectation of success.

In addition, efficacy, hope, and optimism are more likely to be proactive in nature, and resilience has components of adaptation, especially when facing a setback (Avey et al., 2011). Components of PsyCap can motivate or support employees to undertake task-related, extra role performance. For example, in service tasks, hope and efficacy give service employees internal motivation and confidence in serving customers. Efficacious service employees can provide customers with various service options and they proactively anticipate future needs and solutions. Hope provides them with motivational resources to find new ways to achieve service goals (Avey et al., 2010). In facing service failure, when hope and efficacy are not able to motivate employees to pursue specific goals, optimism can create an overall positive expectation about the future. The perseverance component of optimism encourages service employees to show tenacious effort towards achieving service goals. The reactive nature of resilience helps service employees to deal with setbacks and to try again. The integrated nature of PsyCap is very important, because when one of the components of PsyCap is lacking, the other components can compensate (Avey et al., 2011). In general, PsyCap is an integrated psychological resource that supports service employees' adaptive and proactive performance. Therefore, the following hypotheses are advanced:

H1a: Service employees' individual level psychological capital (PsyCap) is positively associated with individual level adaptive service behaviour (ASB).

H1b: Service employees' individual level psychological capital (PsyCap) is positively associated with individual level proactive service behaviour (PSB).

Psychosocial safety climate and task-related, extra-role behaviour (ASB and PSB)

The climate research reviewed earlier in this chapter supported the relationship between employees' subjective perceptions of their work environment and their attitudes and behaviours (Schneider, 2000). Almost every aspect of organisational life is

affected by work climates, including individual outcomes such as job attitudes, individual performance, and organisational citizenship behaviours, as well as broader outcomes such as team performance and customer attitudes (Kuenzi & Schminke, 2009).

Drawing on insights available from POS, and its triple mechanism, PSC can motivate individuals to boost their personal resources to flourish and help others, including managers, colleagues and their customers, achieve their desired goals. PSC is an upstream, organisational health-focussed resource (Dollard & McTernan, 2011), which can help individuals, collectives and organisations to develop their psychological resources and positive emotions. Two theories can explain how high PSC in organisations can spread positivity across and between organisational layers and help all organisation stakeholders to thrive. Emotional contagion theory (Hatfield et al., 1994) refers to the influence of emotions of a person or group on another person or group's emotions or attitudes and their resultant behaviours. Emotions are contagious and even can travel between people through planned emotional displays (Grandey, 2000; Hochschild, 1983). Positive emotional displays can also influence people outside of an organisation during and after interaction with its employees (Pugh, 2001). Senior management support for psychological well-being in high PSC organisations (Dollard & Bakker, 2010) would give employees a sense of gratitude and a concern for others. Feeling gratitude, being other-focused, and consequently helping others creates positive emotions among employees and broadens their cognitive resources for creative thinking when employees need to provide their customers with novel alternative services (Dutton et al., 2007). Moreover, being other-focused can develop employees' social resources and cooperation in helping behaviours (Spreitzer & Sonenshein, 2003). Positive emotions, in addition to developing cognitive resources, which are required in creative

service behaviours such as adaptive and proactive behaviours, can act as an interpersonal facilitator (Spreitzer & Sonenshein, 2003). In a positive PSC, where employees perceive organisational care about their psychosocial safety and well-being (Bakker & Schaufeli, 2008; Schaufeli & Bakker, 2004; Stephens, 2011), it is plausible that they will show positive emotions and behaviours towards the organisation, and their colleagues and customers.

Exchange theory is the second way of explaining why and how people exchange their resources in transactional or non-transactional relationships (Adams, 1965; Blau, 1964; Homans, 1974). Although social exchange theory proposes that human relationships are based on the rationale of cost-benefit analysis, the exchange of resources could be instrumental and result in human growth and development if the exchanged resources are beneficial for all involved parties (Stephens, 2011). Trust and social support, for instance, are two concepts that can be nurtured through the beneficial exchange of resources. According to social exchange theory, employees who perceive that the organisation allocates substantial resources to enhance their well-being, trust the organisation to provide more resources that they need to make decisions during their interactions and in stressful situations. The support that they receive from management through job resource allocation (i.e., job control) motivates them to engage in going the extra mile to help the organisation and its customers (Salanova et al., 2005).

Positive meaning-making is one mechanism that the POS perspective suggests can be affected by the working environment. In high PSC, employees perceive the organisational climate as being supportive of their psychosocial well-being and as conveying management's eagerness to communicate with them about their concerns. In this climate, employees overcome the job demands with less effort and appraise

demands as challenge stressors which is expected to have a positive effect on their performance and motivation (LePine, Podsakoff, & LePine, 2005).

Positive meaning motivates employees to be involved in the organisation's process of problem solving and to show initiative with regard to risk-taking behaviours (Spreitzer & Sonenshein, 2003). Thus, employees' engagement in positive deviance from organisational norms can be increased through the positive meaning that they impute to their job.

Positive interrelating can extend resource building, flows and exchanges, which contributes to personal and collective development and strength building. For example, positivity in a relationship can physiologically strengthen people, increase collective mindfulness, boost energy and improve coordination (Dutton et al., 2007). Therefore, psychosocial safety climate (PSC) at an organisational level can shape adaptive and proactive service behaviour at individual levels. Accordingly, PSC should be positively associated with individual ASB and PSB as hypothesized below:

H2a: Psychosocial safety climate (PSC) at branch level is positively associated with adaptive service behaviour (ASB) at the individual level.

H2b: Psychosocial safety climate (PSC) at branch level is positively associated with proactive service behaviour at the individual level.

The interaction between Psychosocial safety climate and Psychological capital

In addition to proposing the separate main effects of branch level PSC and individual level PsyCap, this study proposes that they also interact synergistically to affect ASB and PSB. In every organisation, there are cross-level interactions among individuals, teams, and the contextual factors that shape the majority of outcomes (Hackman, 2009). These interactions have also been proposed and empirically tested in POB literature and research. Luthans and Youssef (2007) suggested that positive traits

and states (as embodied in PsyCap) and their interaction with positive organisational characteristics can pave the way for emerging positive behaviours. Avey et al. (2010) and Youssef and Luthans (2007) in their integrative models, included both organisational-level factors such as organisational strategy, structure, culture, person–organisation and person–job fit and individual-level factors such as personality traits and previous life experiences and PsyCap.

Task-related, extra role behaviours, operationalised in this study as ASB and PSB, are intentional and discretionary behaviours aimed at helping others in their goal achievement (Luthans & Youssef, 2007) and can, therefore, be categorised under the umbrella of positive behaviours. The "extra-role" and "beyond the call of duty" nature of these behaviours is particularly relevant to the positivity framework (Avey et al., 2011). Engaging in these behaviours, as proposed in hypotheses 1a and 1b, can be predicted by higher levels of PsyCap. Resilience, being one of the components of PsyCap, can include social support and other organisational-level resources and buffering mechanisms (Avey et al., 2010) in dealing with demanding tasks. When the internal resources required to deal with risk factors are insufficient, lacking, depleted, or the risk factors are beyond the capacity of the individual's resources, other resources can be drawn from the organisational context.

PSC provides employees with cognitive (meaning-making), motivational (positive emotion through supportive practices) and social resources (positive interrelating) enabling employees to engage in positive, extra-role, task-related behaviours such as ASB and PSB. When senior management supports the psychological well-being of employees, their control over the job and the freedom to develop new skills will improve (Dollard & Bakker, 2010).

Conservation of resource theory (COR) postulates that individuals attempt to acquire, develop and preserve their valuable resources. Drawing on COR theory, personal and social resources can be linked as "resource caravans" creating a synergy among them (Hobfoll, 2011). Resource caravans are created and conserved in "resource caravan passageways". Further, resource exchange theory (Foa, 1971), proposes that people exchange resources that are similar. Therefore, in a positive PSC, employees' psychological resources and organisational level psychosocial resources, that is, the two similar resources from different levels, can be combined and developed over time (Dollard & Bakker, 2010).

In a high PSC, resources provided by senior management can be matched and combined with employees' PsyCap creating a constellation of positive psychosocial resources that can enhance employees' motivation to engage in task-related, extra-role behaviours. The multilevel nature of the positivity framework developed earlier explains how positivity in organisational climate and psychological resources in different levels combine and create a positive psychosocial resource caravan (Hobfoll, 2014). Thus, PsyCap and positivity in policies, practices and procedures (e.g., PSC) combine to drive front-line service employees' positive, discretionary, task-related behaviours (ASB and PSB) in a service context. Hence the third proposition:

H3a: Psychological capital (PsyCap) at the individual level and psychosocial safety climate (PSC) at the branch level interact in affecting adaptive service behaviour (ASB) at the individual level.

H3b: Psychological capital (PsyCap) at the individual level and psychosocial safety climate (PSC) at the branch level interact in affecting proactive service behaviour (PSB) at the individual level.

In line with the hypotheses, the highest level of ASB and PSB is expected under conditions of high PsyCap at the individual level and high PSC at the branch level.

Branch-level adaptive and proactive service behaviour, customer engagement behaviour and customer repurchase intention

The growing competitiveness of the service market gives customers the unfettered authority to decide whether to stay in or quit a service relationship. Employee service performance can directly impact this decision (Liao & Chuang, 2007). The positive relationship between service employees' behaviour and customer outcomes has been supported by several studies (Liao, 2007; Liao & Chuang, 2004, 2007). However, to date, no study has directly examined the effects of ASB and PSB on customer outcomes. In the current research, this gap is filled by examining the simultaneous effects of ASB and PSB on customer outcomes operationalised as CEB and CRI.

The heterogeneity of customer needs and expectations results in the impossibility of prescribing procedures to meet every uncertainty in the service environment (Raub & Liao, 2012). Therefore, to deal with uncertainty and lack of prescription, employee service performance needs to include providing personal and customized service and behaviours (Liao & Chuang, 2007), anticipating customer needs and future service issues, thus addressing the main cause of service problems and creating innovative ways of improving the delivered service (Raub & Liao, 2012).

Service employees who engage in ASB and PSB are more likely to provide a suitable and tailor-made service to each customer based on their unique needs and prevent service problems from happening (Raub & Liao, 2012). These behaviours form emotional and social bonds, trust and gratitude among customers which consequently encourage customers' intentions to maintain a long-term relationship with the service company (Liao & Chuang, 2007). According to social exchange theory (Blau, 1964), when service employees focus on personalizing interactions, delighting their customers,

and recognising customers' unique needs, customers show their appreciation by demonstrating loyalty with the service company. After establishing a satisfying relationship and emotional bond between customers and service employees, the relationship escalates to the stage of engagement (Pansari & Kumar, 2017). Thus, employees with better ASB and PSB are more successful in developing long-term relationships with customers and engaging them with the company.

Moreover, in service companies, customers evaluate their service experience according to their interactions with several service employees in a given service environment (Liao & Chuang, 2004; Raub & Liao, 2012). Generally in service relationships, it is the overall level of service behaviours of employees who serve customers, not the behaviour of one employee, that shapes customers' attitude and behaviours toward the specific service environment (Liao & Chuang, 2004). In addition, social processing and shared perceptions of organisational climate in a service environment (service branch) are likely to result in comparatively similar behaviours and performance across employees (Liao & Chuang, 2004). According to social contagion theory (Meindl, 1995) individuals adopt attitudes and behaviours of their team members during the process of communicating and exchanging information. Teams can provide a social context in which members interact and communicate. Same theory has been used to justify the existence of PsyCap at collective level (see Dawkins et al., 2015). Climates of proactivity and adaptability can be created where the employees feel psychologically safe and positive about their work challenges. Therefore, individual-level ASB and PSB through a bottom-up process shape collective ASB and PSB. Service research has empirically supported the relationship between aggregated employee service performance and customer outcomes (Borucki & Burke, 1999; Liao & Chuang, 2004; Raub & Liao, 2012). Therefore, it is proposed that:

H4a: At branch-level, adaptive service behaviour (ASB) is associated with customer engagement behaviours (CEB).

H4b: At branch-level, proactive service behaviour (PSB) is associated with customer engagement behaviours (CEB).

H5a: At branch-level, adaptive service behaviour (ASB) is associated with customer repurchase intention (CRI).

H5b: At branch-level, proactive service behaviour (PSB) is associated with customer repurchase intention (CRI).

Mediating role of adaptive and aroactive service behaviours

Earlier in this chapter, psychosocial safety climate (PSC) was introduced as an upstream organisational resource, which can encourage task-related, extra-role service behaviours. Hypotheses 2a and 2b suggest that at the branch-level, psychosocial safety climate (PSC) is positively associated with adaptive (ASB) and proactive service behaviours (PSB), and in hypotheses 4 and 5, it is proposed that ASB and PSB at the branch-level are positively related to customer engagement behaviour (CEB) and customer repurchase intention (CRI). These hypotheses suggest that PSC indirectly and positively affects CEB and CRI via aggregated ASB and PSB at the branch-level. Because customers are not directly able to perceive the organisational practice and procedures aiming at protecting psychosocial safety of service employees, an indirect relationship would be logically predictable. However, their decisions about future service relationship and engaging with the company will be directly affected by service employees' adaptive and proactive behaviours in the branch.

To the extent that PSC should be related to branch-level ASB and PSB, it should indirectly positively affect CEB and CRI. Based on this rationale, it can be proposed that:

H6a: At branch-level, adaptive service behaviour (ASB) mediates the relationship between psychosocial safety climate (PSC) and customer engagement behaviours (CEB).

H6b: At branch-level, proactive service behaviour (PSB) mediates the relationship between psychosocial safety climate (PSC) and customer engagement behaviours (CEB).

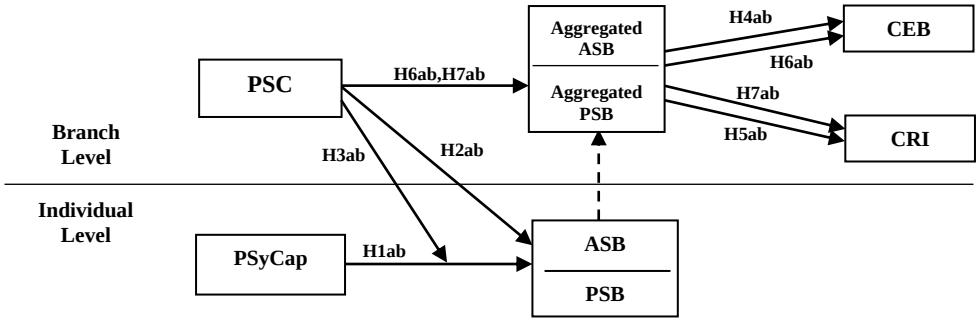
H7a: At branch-level, adaptive service behaviour (ASB) mediates the relationship between psychosocial safety climate (PSC) and customer repurchase intentions (CRI) branch-level.

H7b: At branch-level, proactive service behaviour (PSB) mediates the relationship between psychosocial safety climate (PSC) and customer repurchase intentions (CRI) at branch-level.

2.7. Conceptual model

Figure 2.1 summarises the conceptual model. On the basis of the hypotheses just presented, a multi-level model for the study has been developed. The model illustrates the individual-level, branch-level, cross-level and interaction relationships. At the individual-level, hypothesis 1 proposes the relationships between the independent variable (PsyCap) and dependent variables (ASB and PSB). The relationship between the branch-level independent variable (PSC) and individual-level dependent variables (ASB and PSB), proposed in hypothesis 2, shows the cross-level relationship. Hypothesis 3 proposes the interaction of branch-level independent variable (PSC) and individual-level independent variable (PsyCap) in affecting individual-level outcomes (ASB and PSB). Hypotheses 4 to 7 propose the relationships between independent, mediator (aggregated ASB and PSB) and outcome variables (CEB and CRI) at branch-level.

Figure 2.1. Conceptual model



2.8. Chapter summary

The literature on customer behaviour, employees' service behaviour, positive organisational behaviour and occupational health and safety has been reviewed in this chapter. A theoretical basis for an investigation of how service employees' perceptions of their psychosocial work environment and their positive psychological capacities has thus been provided in terms of how these factors can influence customer outcomes through adaptive and proactive service behaviours. The overarching theories that inform the theoretical framework for this study have been discussed. Scholarship from positive organisational scholarship (POS), positive organisational behaviour (POB) and psychosocial safety climate (PSC) have been integrated to justify the proposed multi-level model of the study and hypothesis development. The chapter concluded with a presentation of the conceptual model for the research. The thesis now proceeds with Chapter 3, which provides an explanation of the methodology used in the study.

Chapter 3: Methodology

3.1. Introduction

The aim of this chapter is to describe the research methodology used in the study. The chapter first describes the research approach, then the research population and sample, the procedures for data collection and introduces the survey instrument. The approach to data analysis, including multilevel modelling, and the composition model of aggregation, are discussed. Issues of multi-level sampling are then canvassed and finally, the ethical considerations of the study are discussed.

3.2. Research Approach

The main objective of the current study is to examine the extent to which a positive working environment, along with a positive psychological state, among service employees shape their task-related service behaviours and enhance customers engagement and repurchase intention. The approach taken in tackling this research objective could be described as descriptive, in that a detailed picture of the mechanism of the study and also of the dynamics or cause-effect processes involved will be provided (Neuman, 2014). However, as the research objective involves examining relationships and interactions between a number of variables and involves engagement with a positivist philosophy, a quantitative approach that provides the framework and tools for data collection and a basis for subsequent analysis has been chosen.

Testing theories by examining the relationships among variables is often undertaken using the survey method as the means of data collection. In this study, a cross-sectional approach has been employed because the study has involved observations of the sample that are made at one point in time (Babbie, 2013). To collect the multi-source data for the study, self-administered surveys were hand-delivered to the

sample, which comprised managers, employees and customers of insurance companies in Iran. The data collection method, using interpersonal interaction (Ibeh & Brock, 2004), was chosen having regard to the need for high response rate (Babbie, 2013) and to the observation that this is the preferred mode of communication and information-sharing in emerging countries (Ibeh & Brock, 2004).

It is legitimate to amalgamate different modes of research, particularly if the research is combining a study of human behaviour with the dynamics of organisations, technological change and economic imperatives (Walliman, 2017). Given the aim of the study includes describing and measuring the relationships between several variables, a correlational design has been employed. This aims to explain the relationships between variables of the study (Creswell, 2014). This design enables complex relationships among variables to be analysed using techniques of structural equation modelling, hierarchical linear modelling, logistic regression and multi-level modelling.

3.3. Research Population and Sample

As outlined in chapter 2, survey data for this study was collected from Iranian insurance companies with the collaboration of Central Insurance of Islamic Republic of Iran (Bimeh Markazi Iran). This service sector is the context for the study because delivering financial services often requires a high level of human interaction, considerable interpersonal relationships or customer contact (Chan, Yim, & Lam, 2010). The population used in the study comprised managers, employees and customers from branches of insurance companies in Iran. The study deployed self-administered surveys as the main data-gathering instrument. Three separate surveys were conducted: Survey A for managers, Survey B for employees and Survey C for customers. Thus, the participants in the study included managers of the branches of insurance companies,

employees of insurance companies who serve the customers, and customers of insurance companies who have recently experienced an interaction with the firm.

A list of insurance companies in Iran was obtained from the Central Insurance of IR Iran's website. By the end of 2015, 29 insurance companies, having 1,043 branches and employing 18,612 individuals in service positions, were operating in the Iranian insurance market across 31 provinces (BimehmarkaziIran, 2015-2016). Three highly populated provinces were chosen for the conduct of the surveys. In accordance with a multi-level approach, the sampling procedure was started from the higher level (i.e., team/branch level). Each branch of every insurance company was considered as a working team. Using a cluster sampling method (Creswell, 2014; Neuman, 2013), 60 branches of insurance companies (20 branches per province) were randomly selected and invited to participate in this study. The literature suggests a sample size of more than 50 working teams is adequate for team and multi-level analysis. While smaller sample sizes, say 10 to 30 teams, can yield significant results depending on simulation conditions, Maas and Hox (2004) suggest that the sample size needs to exceed 50 if the researcher also wants to be able to correct estimates of standard error. Previous team level studies using sample sizes of about 60 teams, were found to yield valid results (e.g., Deeter-Schmelz & P. Ramsey, 2003; Jong & De Ruyter, 2004; Tekleab, Karaca, Quigley, & Tsang, 2016; Tekleab & Quigley, 2014).

Considering the average number of members in a branch (namely, 10 employees), the sample size for employees was 600. Where a branch had more than 10 members, only 10 members were randomly invited to participate in the study. Consistent with guidance available from the relevant literature, the appropriate sample size for customers of each team was set at 10 (see Salanova et al., 2005). Thus, 10 customers of each selected branch were randomly invited to participate. Therefore, the

whole target sample comprised approximately 60 managers, 600 employees and 600 customers.

3.4. Procedures

Three separate survey packages (managers, employees, customers) were prepared to satisfy the research objectives and minimize the risk of single source data bias. The survey was initially developed in English. All of the participants in this study were Iranian citizens who live and work in Iran. The formal language in Iran is Persian. Therefore, the questionnaires were translated by accredited translators from English to Persian then back-translated from Persian to English as suggested by Brislin (1980). Supervisors checked the accuracy of translations.

The process of data collection started with managers, who were asked to consider giving permission for the conduct of the survey in their branch and then asked to complete Survey A, including an information sheet about the research and the measures of adaptive and proactive service behaviours of employees to be used. They were asked to inform the employees about the research. Then, Survey B was hand-delivered to employees. This included the information sheet explaining the nature of the study and the data collection procedures; a return envelope, and the measures for demographics, psychosocial safety climate, psychological capital and the big five personality traits (all measures are explained further below). Employees were given time to complete the survey during working hours. They were asked to place the completed surveys in a sealed envelope and lodge the sealed envelope in a sealed container. Survey C for the customers, that included an information sheet explaining the research, measures of demographics, customer engagement behaviour and repurchase intention, was available on-site. Customers were asked upon entry to the branch if they were willing to complete the survey regarding their experiences with the company.

Willing customers were asked to return the completed surveys in sealed envelopes to a sealed container.

All participants, including managers, customers and employees, were notified that participation was voluntary and that their completion of the survey would be taken as evidence of their consent to participate in the study. They were assured that their identity and responses would remain confidential and anonymous and would be analysed at an aggregated level.

3.5. Survey Instrument

The study utilized three self-administered surveys to collect the quantitative data on eight key measures: Adaptive Service Behaviour and Proactive Service Behaviour, in Survey A (see Appendix A) completed by managers; psychosocial safety climate (PSC-12), PsyCap Questionnaire (PCQ-12) and Big Five Factor Markers, in Survey B (see Appendix B) completed by employees, and customer engagement behaviour and, customer repurchase intention, in Survey C (see Appendix C) completed by customers. The respondents answered the survey questionnaires in hard copy to increase the response rate.

3.5.1. Individual Level

Psychological capital, adaptive and proactive service behaviours and the Big Five Personality dimensions were all measured at the individual level.

Manager Survey

Managers rated adaptive and proactive behaviour measures of their employees. Manager-rated measures of employee performance, including behavioural performance, were used in this study for several reasons. First, typically employees overestimate their performance (Netemeyer et al., 2005). Second, scholars suggest that manager-rated measures of employee performance are more valid than are employee self-ratings

(Scullen, Mount, & Goff, 2000) because supervisor-rated measures of employee performance have stronger predictive validity (Atkins & Wood, 2002). Finally, manager-rated measures of employee performance were used because employees rated the independent variables of psychosocial safety climate and psychological capital. Thus, the links between the performance constructs (adaptive and proactive service behaviours) and psychosocial safety climate and psychological capital are free of same-source bias (Podsakoff, 2003).

Adaptive Service Behaviour

Adaptive service behaviour was measured with the ten-item scale of Adaptive Service Behaviour developed by Gwinner et al. (2005). The measure asked managers to rate the team member's ability to modify the service and their behaviour based on customers' needs on a seven-point Likert scale, ranging from "strongly disagree" (1) to "strongly agree" (7). The supervisor-rated measure of adaptive service was used in this study, so it was necessary to make some adjustments to the instrument to reflect this. Sample illustrative items from the survey are "This team member often adjusts his/her personality from one customer to the next" and "This team member can easily suggest a wide variety of services to meet each customer's needs". The coefficient alpha was 0.92 for this scale which indicates a high degree of reliability.

Proactive Service Behaviour

A seven-item measure of Proactive Service Behaviour developed by Rank et al. (2007) and adopted and empirically tested by Raub & Liao (2012) was utilised in this study. Managers were asked to rate the team member's ability to anticipate customers' needs and act beyond their formal job to satisfy their customers. Sample items include: "This team member anticipates issues or needs customers might have and proactively develops solutions" and "This team member actively creates partnerships with other

employees to better serve customers". Rating scales for this measure were anchored at 1 (strongly disagree) and 7 (strongly agree). The coefficient alpha was 0.94 for this scale indicating good reliability.

Employee Survey

Employees rated their own psychological capital as the independent variable and the Big Five Personality dimensions as a control variable at the individual level. They also provided their demographics as control variables.

Psychological Capital

Psychological capital (Psycap) was measured using a twelve-item self-rating version of the psychological capital questionnaire (PCQ) (Luthans & Youssef, 2007). Team members were asked to describe how they might think about themselves in their job at that time. They rated the measure on a six-point scale, ranging from "strongly disagree" (1) to "strongly agree" (6). Sample items include: "If I should find myself in a jam at work, I could think of many ways to get out of it" and "I can be on my own, so to speak, at work if I have to". The coefficient alpha was 0.84 for this scale indicating good reliability.

Control Variables for Employees

The Big Five model has been largely found to provide a useful taxonomy of personality in organisational behaviour (Barrick & Mount, 1991; Gwinner et al., 2005). Trait-like constructs such as the Big Five Personality dimensions, which are relatively stable and difficult to change, are the most likely factors that contribute to both prescribed and discretionary work behaviours and can affect the way that employees respond in different working environments and situations (Neal, 2011).

This study examined the direct and indirect effects of psychological capital as a state-like (open to change and development) construct on adaptive and proactive

behaviours. Although different regarding openness to change and development, in some cases psychological capital seems to have a positive correlation with personality constructs (Luthans, Avolio, et al., 2007). Thus, this study controlled for conscientiousness, emotional stability, and agreeableness, the most relevant dimensions of the Big Five model in the highly interactive job of service employees (Gwinner et al., 2005; Mount, Barrick, & Stewart, 1998). This was to protect the integrity of the effect of state-like psychological capital on adaptive and proactive behaviours from trait-like constructs. Three dimensions (i.e., conscientiousness, emotional stability, and agreeableness) of the five-factor model of personality based on Goldberg's International Personality Item Pool (Goldberg, 1999) were included in the employee survey. Employees responded on a scale ranging from 1 (very inaccurate) to 5 (very accurate). The combined Alpha coefficient was 0.91 indicating good reliability. The Alpha coefficient of conscientiousness, emotional stability, and agreeableness were 0.87, 0.86, 0.84 respectively. All Alpha coefficients were above the generally accepted criterion (Nunnally & Bernstein, 1994).

Relying on past research (e.g., Raub & Liao, 2012) that indicated that demographic variables can influence discretionary work-related behaviours such as adaptive and proactive service behaviours, this study controlled for age and gender of team members. In addition, predicting customers' needs and service problems and adapting the service to reflect every customer's unique needs, requires a deep insight into the provided service. Thus, it is expected that the amount of work experience of team members can provide them with the ability to engage in adaptive and proactive service behaviours. More experienced service employees may be more capable of handling the situations where adaptivity and proactivity are needed. Therefore, the work experience of team members was controlled in this study.

3.5.2. Branch level

The branch-level constructs were operationalised by aggregating the individual employee or manager scores to the branch level and testing the interrater reliability (IRR) and interrater agreement (IRA). In addition to theoretical justifications for the aggregation of data, it is necessary to show that the lower level data is in agreement with one another, demonstrating the unique affective tone of each team or group (LeBreton & Senter, 2008). IRR and IRA indices are often used to justify aggregation of lower-level data to approximate a higher-level construct in composition and multi-level models (LeBreton & Senter, 2008). It is advisable to use estimates of both IRA and IRR + IRA to provide sufficient justification for aggregation in multilevel modelling (LeBreton & Senter, 2008). Single-item r_{WG} and multi-item $r_{WG(J)}$ (James, Demaree, & Wolf, 1984, 1993), are the most commonly used indices of IRA and ICCs (McGraw & Wong, 1996) are indices of IRR + IRA.

Psychosocial Safety Climate

Psychosocial safety climate was measured with a 12-item questionnaire developed by Hall, Dollard and Coward (2010) in the employee survey. Items were accompanied by a 5-point rating scale, ranging from 1 (strongly disagree) to 5 (strongly agree). Employees were asked to rate statements concerning psychological health and safety in their work place. The items included a range of indicators that reflect top management's support and commitment for stress prevention through involvement and commitment, the priority they attach to psychological health and safety, organisational communication, participation and involvement. Sample items are: "Psychological well-being of staff is a priority for this company" and "Employees are encouraged to become involved in psychological safety and health matters". The coefficient alpha for this scale

was 0.95. Then the scores were aggregated to the average of individual scores within the branch level.

Aggregated Adaptive and Proactive Service Behaviours

Aggregated adaptive and proactive service behaviours at branch level were calculated by taking the average of the individual adaptive and proactive service behaviour scores in every branch rated by managers. The seven-item measure of proactive service behaviour developed by Rank et al. (2007) and the ten-item measure of adaptive service behaviours developed by Gwinner et al. (2005) from the manager survey were used to calculate aggregated measures.

Customer Survey

Customer engagement behaviour and repurchase intention were included as outcome variables along with demographic control variables in the customer survey.

Customer Engagement Behaviours

The customer engagement behaviour measure in the customer questionnaire was an adaptation from Verleye et al. (2014). To adapt the measure to the context of insurance companies', after discussing the items with the supervisors and insurance managers, it was decided that 8 of the original 15 items could adequately capture the customer engagement construct and the nature of the customers' possible engagement in insurance companies at the same time. Therefore, customers in every selected branch were asked to assess their relationship with the company based on three dimensions of customer engagement behaviours, including cooperating (two items) feedback (two items) and positive word of mouth (three items). Customers responded on a scale ranging from 1 (strongly disagree) to 7 (strongly agree). Sample items include: "I do things to make the employees' job easier" and "I recommend this company to people

interested in insurance". The coefficient alpha was 0.71 for this scale indicating good reliability.

Customer Repurchase Intention

Customers were asked to express their inclination about buying a service again from the same company. Participants rated their customer repurchase intention (Netemeyer et al., 2005) over three items on a seven-point scale, ranging from 1"not likely" to 7 "very likely". Sample items include: "If you were in the market for (insurance), how likely would you be to buy from this company?" and "In the future, I will use this company as a provider". The coefficient alpha was 0.74 for this scale which is acceptable.

3.6. Data analytic approach

3.6.1. Multi-level modelling

In accordance with the research objective focusing on investigating the effects of higher level (group level) on lower (individual level) constructs including employees' discretionary service behaviour and indicators of customer relationships with the firm and their decision making, the study adopted a multilevel modelling approach. Multi-level modelling provides a useful framework for studying hierarchical structures in theory and data and can handle clustered or nested data (Buxton, 2008). Hierarchical linear models posit that individuals in one group tend to show more similarity than individuals in different groups; hence, individuals' observation in the same group can be inter-dependent (Dawkins et al., 2018). Ignoring the hierarchical aspects in theory and in the analytical approach can lead to unreliable results. Multilevel models allow for residual components at each level in the hierarchy leading to correct inferences via realistic estimation of standard errors of regression coefficients and statistical significance (CentreforMultilevelModelling, 2017).

Hierarchical linear models also allow estimation of group effects on individual outcomes as well as estimation of group effects simultaneously with the effects of group-level predictors. Finally, in a multilevel model, the groups in the sample are treated as a random sample from a population of groups. Therefore, in multilevel models, inferences can only be made when the grouping of the sample is included (CentreforMultilevelModelling, 2017).

3.6.2. Composition models of aggregation

Composition models define how constructs at lower levels of analysis can be operationalised to the higher levels. Chan's (1998) typology of composition models provides a framework for organising, evaluating, and developing constructs and theories in multilevel research. The five forms of Chan's typology are additive, direct consensus, referent-shift consensus, dispersion, and process composition. Direct consensus and referent-shift consensus models have been adopted in most multilevel studies of team and group process to aggregate lower level scores to reference the same content but qualitatively different at higher levels (Cole, Bedeian, Hirschfeld, & Vogel, 2011). The direct consensus model has been used in this study. To operationalize group-level scores, an average of individual responses is typically used in direct consensus models (Cole et al., 2011). To justify aggregation of the construct to the higher-level some minimal level of within-team interrater agreement (IRA) (e.g., James et al., 1993) and interrater reliability (IRR) consensus (Bliese, 2000; LeBreton & Senter, 2008), such as intra-class correlation (ICC), were employed. Then, individual responses, using the simple mean, have been aggregated to represent a group-level construct.

3.7. Limitations of the methodological approach

This study employed a multi-stage cluster sampling approach to draw the sample from a multilevel structure of data. In multilevel studies, sampling starts with higher

levels because samples from lower levels are nested in higher levels (Babbie, 2013). Therefore, the final sample size is limited to the number of samples from the highest level of the study leading to a relatively small but adequate, sample size.

Cluster sampling is highly efficient, but it can result in a less accurate sample because of increasing sample error. Every stage of sampling adds a sampling error; hence, in multistage cluster sampling the whole sample error would be the product of the accumulation of all the sampling errors at each stage (Babbie, 2013). Sampling error can be reduced by increasing the sample size and/or increasing the homogeneity of the clusters being sampled. With multilevel data, when increasing the sample size of the highest level of analysis is not possible (e.g., small population of the highest level or high cost of data collection), homogenizing the sample groups would be the only option (Babbie, 2013). Therefore, this study homogenized the sample by choosing the branches of insurance companies in Iran. The sample was collected from managers, employees and customers of insurance companies. All insurance companies provide similar services under similar rules. Therefore, perceptions of adaptive and proactive service behaviours, psychosocial safety climate and their customers' behavioural incomes were homogenised. Context can determine the behaviours that can be taken as adaptive and proactive (Rank et al., 2007). Customer engagement also can be differently manifested in various service contexts. Therefore, using a specific context for data collection in a multi-stage sample design can reduce sampling error and improve the estimations (Babbie, 2013).

Following the literature, this study adopted the direct consensus model to aggregate lower level scores to index target constructs. Averaged individual branch members' responses were used to operationalise branch-level scores. Minimum levels of within-group interrater agreement (IRA) and interrater reliability (IRR) consensus

(Bliese, 2000; LeBreton & Senter, 2008) have been considered to justify the aggregation (see Chapter 4).

An important limitation of the composition models is their reliance on mean scores (Cole et al., 2011). The true distribution of the underlying constituent responses which can reveal the variation among team member judgements is unclear (Lindell & Brandt, 2000) because of the use of the simple average of individual scores to estimate group-level phenomena. The second limitation of using mean-based approaches is that only teams or groups with high within-group agreement are considered to be appropriate for multilevel analysis. However, DeRue, Hollenbeck, Ilgen, and Feltz (2010) have argued too much within-team agreement may negatively affect team effectiveness. Finally, the assumption that group/team members' perception of the constructs are uniform has been criticised, and considering the variances residing within groups members' perceptions may produce a deeper level of insight (Cole et al., 2011).

3.8. Ethical considerations

Permission to use the psychological capital questionnaire for employee participants was obtained from Mind Garden. The study protocol was approved by the University of Tasmania's Human Ethics Research Committee (approval number H0015916) (Appendix D). An information sheet was included in each survey package highlighting the nature of the study and the instructions for completing and returning the surveys. Willing participants (employees and customers) were asked to return the surveys in sealed envelopes to a sealed container. Through the information sheet, participants were assured of the confidentiality and anonymity of their participation. The contact details of the researchers and Human Ethics Research Committee were provided to participants if they had questions or concerns about the research. The

researchers and the University's Human Ethics Research Committee did not receive any contacts in this regard.

3.9. Chapter summary

In this chapter, the research approach, research design, sampling frame and characteristics, sampling procedure, and the survey instruments have been discussed. A discussion of issues of sampling in multilevel designs and ethical aspects of the study was then provided. This chapter of the thesis is followed by Chapter Four, which reports the analysis of the data and the testing of hypotheses.

Chapter 4: Results

4.1. Introduction

The results of the data analysis are presented in this chapter. The chapter starts with the preliminary analyses, including an explanation of the sample profile, as well as the tests for reliability and validity of the measures. This is followed by presenting the results of testing the proposed hypotheses. The chapter concludes with a table summarising the results of the hypothesis testing.

4.2. Preliminary data analysis

As explained in Chapter 3, 60 branches of insurance companies were invited to participate in this study. One branch refused to participate for reasons of work overload. Therefore, data was collected from 59 branches. The survey packages (including an information sheet and Surveys A, B and C) were distributed using a self-administered method. One branch's manager did not respond to questionnaire A and two branches did not return any usable customer survey (Survey C), resulting in a final usable sample of 56 branches, representing a 93.3% response rate. Preliminary analysis, including descriptive statistics and tests of reliability and validity, was undertaken after data collection to prepare the data for further analysis and to identify the key features of the data.

4.2.1. Sample profiles

As the sample comprised three different groups of respondents, managers, employees and customers, the profile of the sample is characterised by demographic description of all three groups of respondents. As presented in Table 4.1, 56 managers completed Survey A. Age, gender, educational level and work experience were the demographics of managers of interest. Of these respondents, 78.6% were male and

21.4% were female. There was 76.8% of the managers aged between 30 and 49, 51.8% had 21 to 30 years of experience and 58.9 % had an undergraduate degree.

There were 537 frontline employees who completed Survey B (see Table 4.1). Of these, 513 surveys could be matched with the manager and customers. On average, 9.17 employees in every branch provided a completed, valid survey. There were 64.2% of employee respondents who were male and 35.8% were female. There were 42% aged between 30 to 39, and 26% between 40-49. In addition, 80.1% of the employee sample had less than 20 years of work experience, and 85.9% of the employee respondents had a university degree.

There were 565 surveys collected from customers and 560 of them were matched with the other samples. The customer sample included 57% males and 43% females. There were 62.8% who had a university degree. There were 63.7% who were aged between 30 and 59. The demographics of the respondents are summarised in Table 4.1.

Table 4.1: Sample demographics

	Gender		Experience			Education				Age			
	M	F	0-10	11-20	21 - 30	High school	undergraduate	Post graduate	Other	20-29	30-39	40-49	50 and over
Managers	**44**	**12**	**7**	**20**	**29**	**2**	**32**	**15**	**7**	**6**	**17**	**26**	**7**
Employees	**35**	**21**	**241**	**170**	**102**	**24**	**242**	**198**	**49**	**115**	**215**	**138**	**45**
Customers	**319**	**241**	**-----**	**------**	**------**	**89**	**229**	**123**	**119**	**125**	**225**	**132**	**78**

4.2.2. Reliability of the constructs

Internal consistency of scales is important for survey research using multiple items. The reliability of a scale indicates that all the items in the scale are measuring the same underlying construct (Pallant, 2013). Cronbach's alpha coefficient is one of the most commonly used indicators of internal consistency. Cronbach's alpha of the scales are presented in Table 4.2. Cronbach's Alpha for the measured scales ranged from 0.7 to 0.95. The Cronbach alpha coefficient of a scale ideally should be above 0.7 (DeVellis, 2016).

Table 4.2. Reliability of the constructs

Scale	Number of Items	Cronbach's Alpha
Psychosocial safety climate	12	0.95
Psychological capital	12	0.84
Adaptive service behaviour	10	0.88
Proactive service behaviour	7	0.90
Customer engagement	8	0.70
Repurchase intent	3	0.74
Big five	30	0.91
• **Agreeableness**	10	0.84
• **Conscientiousness**	10	0.87
• **Emotional stability**	10	0.86

4.2.3. Measurement validity

Confirmatory factor analysis (CFA), using Lisrel 8, was employed to test the internal consistency of the scales. All standardised factor loadings, which assess item reliability, ranged from 0.51 to 0.96 (see Table 4.3), and were thus higher than the acceptable cut off value of 0.5 recommended by Hair Jr, Black, Babin, Anderson, and Tatham (2010). The CFA shows an acceptable model fit [$\chi 2$ (df) =1542.83 (773), $\chi 2$/df = 1.99, CFI = 0.95, IFI = 0.95, RMSEA = 0.042, RMSEA=0.046], drawing on the model evaluation criteria (Hu & Bentler, 1999).

Table 4.3: Standardised factor loading

Scale Items	Standardised Factor Loading	α
Psychosocial Safety Climate		**0.95**
In my workplace senior management acts quickly to correct problems/issues that affect employees' psychological health.	.61	
Senior management acts decisively when a concern of an employees' psychological status is raised.	.66	
Senior management show support for stress prevention through involvement and commitment.	.90	
Psychological well-being of staff is a priority for this company.	.84	
Senior management clearly considers the psychological health of employees to be of great importance.	.58	
Senior management considers employee psychological health to be as important as productivity.	.85	
There is good communication here about psychological safety issues which affect me.	.85	
Information about workplace psychological well-being is always brought to my attention by my manager/supervisor.	.66	
My contributions to resolving occupational health and safety concerns in the company are listened to.	.56	
Participation and consultation in psychological health and safety occurs with employees, unions and health and safety representatives in my workplace.	.83	
Employees are encouraged to become involved in psychological safety and health matters.	.82	
In my company, the prevention of stress involves all levels of the company.	.69	
Customer Repurchase Intention		**0.74**
If you were in the market for (insurance), how likely would you be to buy from this company?	.92	
In the future, I will use this company as a provider.	.85	
In the future, I intend to use (insurance) from this company.	.88	
Proactive Service Behaviour		**0.90**
I proactively share information with customers to meet their needs.	0.88	
I anticipate issues or needs customers might have and proactively develops solutions.	0.68	
I use my own judgment and understanding of risk to determine when to make exceptions or improvise solutions.	0.87	
I take ownership by following through with the customer interaction and ensure a smooth transition to other employee.	0.65	

Table 4.3: Continued		
Scale Items	**Factor Loading**	**α**
I actively create partnerships with other employee to better serve customers.	0.67	
I take initiative to communicate customer requirements to other service areas and collaborate in implementing solutions.	0.55	
I proactively check with customers to verify that customer expectations have been met or exceeded.	0.88	
Customer Engagement Behaviour		**0.70**
I do things to make the employees' job easier.	0.96	
I try to help the company to deliver the best possible service.	0.95	
I let this company know of ways to better serve my needs.	0.96	
I inform company's employees if I experience a problem.	0.88	
I let the company's employees know when they give good service.	0.87	
I recommend this company to people interested in insurance.	0.85	
I recommend this company to family and friends.	0.66	
I say positive things about this company to others.	0.77	
Psychological Capital		**0.84**
I feel confident in representing my work area in meetings with management.	0.83	
I feel confident contributing to discussions about the company's strategy.	0.81	
I feel confident presenting information to a group of colleagues.	0.84	
If I should find myself in a jam at work, I could think of many ways to get out of it.	0.70	
Right now I see myself as being pretty successful at work.	0.70	
I can think of many ways to reach my current work goals.	0.83	
At this time, I am meeting the work goals I have set for myself.	0.76	
I can be "on my own", so to speak, at work if I have to.	0.68	
I usually take stressful things at work in my stride.	0.58	
I can get through difficult times at work because I've experienced difficulty before.	0.84	
I always look on the bright side of things regarding my job	0.79	
I'm optimistic about what will happen to me in the future as it pertains to work.	0.76	

Table 4.3: Continued		
Scale Items	**Factor Loading**	**α**
Adaptive Service Behaviour		**0.88**
I often adjust my personality from one customer to the next.	0.79	
I typically adjust the tone of my voice to fit the type of customer I am dealing with.	0.79	
I act differently at different times, depending on the situation.	0.74	
I try to match the level of my vocabulary to that of the customer.	0.72	
I usually adapt the type of service to meet the unique needs of each customer.	0.77	
I use a wide variety of strategies in attempting to satisfy the customer.	0.82	
I can easily suggest a wide variety of services to meet each customer's needs.	0.76	
I pride myself in customizing the service for the customer.	0.73	
I vary the actual service offering on a number of dimensions depending on the needs of the customer.	0.79	
I believe that each customer requires a unique approach.	0.51	

Measurement validity indicates how well the conceptual and operational definitions fit together (Neuman, 2013). Validity of the measures was examined by considering construct validity. Construct validity has two sub-types: convergent and discriminant validity. Convergent validity shows that indicators of one construct will act alike or converge (Neuman, 2013), and is not dissimilar from measuring internal consistency or reliability. Convergent validity is achieved if the average variance extracted (AVE) in items by their respective constructs is greater than the variance unexplained (i.e., AVE>0.50), and if composite reliability (CR) exceeds 0.7 (Fornell & Larcker, 1981). The computed results of the AVEs and CRs are shown in Table 4.4. All constructs have an average variance explained (AVE) greater than 0.50 (ranging from 0.55 to 0.78) and composite reliability estimates all exceeded 0.7, that is, ranging from

0.89 to 0.96. Therefore, the recommended criteria for convergent validity have been met.

Discriminant validity is a sub-type of construct validity for multiple indicators based on the idea that indicators of different constructs do indeed diverge. Chin (1998) recommended that discriminant validity can be argued to exist if reliability estimates are higher than the correlation between any two composite constructs. Thus, construct correlations which are shown in Table 4.4. (from 0.17 to 0.66) are compared with the square root of the AVE for each construct (which is in the diagonal) should also be higher than any correlation with that construct, which is also the case. The findings in Table 4.4 indicate the appropriate discriminant validity.

Table 4.4. Convergent, discriminant validity and correlation.

Constructs	**CR**	**AVE**	**PSC**	**PsyCap**	**PSB**	**ASB**	**CEB**	**CRI**
PSC	0.94	0.56	**0.74**					
PsyCap	0.94	0.58	.246**	**0.76**				
PSB	0.89	0.55	.260**	.663**	**0.74**			
ASB	0.92	0.56	.196**	.626**	.656**	**0.74**		
CEB	0.96	0.76	.170**	.367**	.601**	.668**	**0.87**	
CRI	0.91	0.78	.247**	.606**	.545**	.657**	.319**	**0.88**

Notes: **. P< 0.01, PSC = Psychosocial safety climate, PsyCap = Psychological capital.
PSB = Proactive service behaviour, ASB = Adaptive service behaviour,
CEB = Customer engagement behaviour, CRI = Customer repurchase intention,
AVE=Average Variance Extracted; Square roots of AVEs are reported in bold in the diagonal,

4.3. Hypotheses testing

4.3.1. Aggregation of variables to the branch level

This study examined the impact of branch-level psychosocial safety climate on individual-level adaptive and proactive service behaviours and the impact of branch-level adaptive and proactive service behaviours on customer outcomes. Given this objective, it was necessary to investigate whether individual assessments of

psychosocial safety climate, adaptive and proactive service behaviours and customer outcomes (including customer engagement behaviours and customer repurchase intention) could be aggregated to the branch level.

A within-group agreement index ($r_{wg(j)}$) (Bliese, 2000) of the scores from the individual-level was calculated using LeBreton and Senter (2008) syntax for SPSS to represent within-group consensus and justify the aggregation of the constructs to the branch-level. Intraclass correlations were computed using the same syntax, including ICC (1) comparing the variance between units of analysis to the variance within units of analysis and ICC (2) assessing the relative status of between and within variability. Typically, a within-group agreement index (e.g., rwg; James et al., 1984) of the scores from the lower-level with a certain cut-off value (i.e., 0.70) is employed to represent within-group consensus and therefore justify aggregation of the construct to the higher-level.

Reliability measures such as interclass correlations (ICCs) are also commonly employed to assess the appropriateness of aggregating individual scores to the higher-level (Bliese, 2000). The ICC (1) indicates the level of agreement among ratings from members in the same group. On the other hand, the ICC (2) determines whether groups can be differentiated on the variables under investigation (LeBreton & Senter, 2008).

Homogeneity of psychosocial safety climate perceptions was assessed with r_{wg} (Bliese, 2000), resulting in Median $r_{wg(j)}$= 0.78 (ranging from 0.61 to 0.85). For proactive service behaviour, the Median $r_{wg(j)}$ value was 0.75 (ranging from 0.39 to 0.96) and for adaptive service behaviour the Median $r_{wg(j)}$ value was 0.91 (ranging from 0.82 to 0.96). In addition, for customer engagement behaviours the Median $r_{wg(j)}$ value was 0.86 (ranging from 0.80 to 0.91). For customer repurchase intention the Median $r_{wg(j)}$ value was 0.78 (ranging from 0.32 to 0.91). All Median $r_{wg(j)}$ of the branch-level

constructs were higher than the suggested cut off value (James et al., 1993) and show the acceptability of these results (See Table 4.5).

Intraclass correlation, ICC (1), and reliability of the mean (ICC2; Bliese, 2000) for the respective constructs were as follows: ICC (1)= 0.12 and ICC (2)= 0.53 for psychosocial safety climate; ICC (1)= 0.25 and ICC (2) = 0.77 for adaptive service behaviour; ICC (1)= 0.46 and ICC(2)= 0.90 for proactive service behaviour; for customer engagement behaviours ICC (1)= 0.06 and ICC (2)= 0.41, and for customer repurchase intention ICC (1)= 0.53 and ICC(2)= 0.92 (See Table 4.5). These values compare convincingly to the accepted $r_{wg(j)}$ and ICC cut-off values (Schneider et al., 1998), except the ICCs of customer engagement behaviours. One-way analysis of variance was conducted to test between-units variance. This analysis was conducted, using branch affiliation of each respondent as the independent variable. Results indicated that psychosocial safety climate, adaptive and proactive service behaviours and customer outcomes exhibited significant between-units variance (psychosocial safety climate: $F(55, 483) = 2.114$, $p < 0.001$; adaptive service behaviour: $F(55, 482) = 4.373$, $p < 0.001$; proactive service behaviour: $F(55, 488) = 9.585$, $p < 0.001$; customer engagement behaviour $F(55, 499) = 1.695$, $p < 0.01$ and customer repurchase intention $F(55, 499) = 12.309$, $p < 0.001$). Jointly, these statistics suggest sufficiently high within-group homogeneity and between groups variance and leads to the conclusion that aggregation of individually rated measures of psychosocial safety climate, adaptive, proactive service behaviours and customer repurchase intentions to the branch level was warranted. In addition, given the appropriate $r_{wg(j)}$ and within-group homogeneity and between group variance, and also similar ICC values in other studies (Raub & Liao, 2012; Schneider et al., 1998), ICC values of customer engagement

behaviours can be considered as moderate values for these statistics and are not low enough to prohibit aggregation.

Table 4.5. Interrater reliability and agreement and intraclass correlations.

Constructs	Mean	SD	IRA(rwg)	IRR+IRA(ICC1)	IRA+IRA(ICC2)
PSC	4.1	0.4	0.78	0.12	0.53
PsyCap	4.5	0.55	-	-	-
PSB	4.5	0.42	0.75	046	0.90
ASB	4.7	0.25	0.91	025	0.77
CEB	4.7	0.3	0.86	0.06	0.41
CRI	4.5	0.63	0.78	0.53	0.92

Notes: PSC = Psychosocial safety climate, PsyCap = Psychological capital, PSB = Proactive service behaviour, ASB = Adaptive service behaviour, CEB = Customer engagement behaviour, CRI = Customer repurchase intention SD=Standard deviation, IRA= Interrater agreement, IRR= Interrater reliability, ICC= Intraclass correlations, rwg= within-group agreement index.

4.3.2. The HLM approach for adaptive and proactive service behaviour models

As has been explained above, after examining the construct validity of the measures by convergent and discriminant validity, the viability of the branch-level constructs was checked by examining the within-group agreement (r_{wg}), intra-class correlation (ICC (1)), and reliability of the mean (ICC (2)).

A hierarchical linear modelling (HLM; Bryk & Raudenbush, 1992) approach was then adopted because of the hierarchical nature of data (the service employees were nested in branches of insurance companies). In addition, the mix of the models to be tested was hierarchical: individual level constructs and group (branch-level) constructs. A staged approach to the HLM analysis was adopted for the models of adaptive and proactive service behaviours. First, two null models with no predictors at either level-1 (the individual level) or level-2 (the branch level) was estimated to split the adaptive service behaviours (ASB) and proactive service behaviours (PSB) variances into within- and between-branch components (see Table 4.6). The null model provides a basis for calculating the intra-class correlation coefficient (ICC) to show whether multilevel

modelling is needed as well as the deviance statistic and other coefficients used as a baseline for comparing the null model with more complex models (Garson, 2013). Second, two random coefficient regression models of ASB and PSB were regressed on level-1variables, including PsyCap and the control variables, in estimating model 2 of both ASB and PSB. The random coefficient regression models included predictors at level-1 without any predictors at level-2, although the grouping variable remained a random factor. The intercepts of ASB and PSB and the β coefficient of PsyCap at level-1 were modelled as random effects with branch as the grouping variable. In the third step, a full random coefficient model (also called an "intercept and slopes as outcomes" model) (Garson, 2013, p. 72) were estimated for both ASB and PSB. In this type of hierarchical model, which can be used to analyse level-2 and cross-level relationships, there are predictors at the level-1 and the level-2, and both level-1 intercepts and slopes are predicted as random effects. In this step, the intercept estimates obtained from level-1 were used as outcome variables and regressed on branch-level variable (i.e., PSC) and slope estimates of the level-1 variables were regressed on PSC to assess the cross-level effects.

4.3.3. HLM results for adaptive and proactive service behaviours

Null model

The results of ASB and PSB null models are shown in Table 4.6. The significant between-branch variances in ASB (τ*=.006, p<.001*) and PSB (τ*=.03, p<.001*) null models indicate that the intercepts of the outcome variables, ASB and PSB, are significantly affected by their predictors, which is the level-2 effect of branch (the grouping variable). The between-branch variances (the grouping variable effect) are smaller than the residual variance components (0.07 for ASB null model and 0.15 for PSB null model, which HLM also labels sigma-squared, σ^2), indicating that there is still

residual variation in ASB and PSB to be explained and that models with additional predictors may be needed.

A significant intercept component implies that the intra-class correlation coefficient (ICC) is also significant, indicating that a multilevel model is appropriate and needed. The ratio of between-branch to total variance provided an intra-class correlation coefficient (ICC) of 0.75 for ASB and 0.83 for PSB, suggesting that 75 and 83 per cent of the variance in ASB and PSB resides between groups. ICC varies from +1 to –1. When group means differ but within any group there is no variation, ICC equals +1, and when group means are all the same, but within-group variation is very large, ICC equals -1. When ICC approaches zero or is negative, hierarchical modelling is not appropriate (Garson, 2013).

Therefore, the significant between-store variance in ASB and PSB and ICCs support the hypotheses that predict both individual- and branch-level variables (qualification, experience, Big 5 and PsyCap at individual and PSC at branch-level) would be significantly related to ASB and PSB.

Random coefficient regression models

The level-1 models or "the random coefficient regression models" of ASB and PSB in Table 4.6 (Model 2) were estimated including all individual control variables and PsyCap as an independent variable, with no predictors specified for level-2. The result of the likelihood ratio test, which can be used as a test of whether the level-1 model is a significantly better fit to the data than the null models, are presented in Table 4.6. The deviance statistic is an estimation of the model fit and shows how well the actual model and the actual data fits (Garson, 2013). The smaller the deviance is, the better the model fits. Deviance dropped from 134.39 in the null model to 65.47 in the random coefficient regression model (level-1 model) in ASB models. For PSB models,

deviance dropped from 572.09 in the null model to 120.71 in the random coefficient regression model (level-1 model) (see Table 4.6). The results show that level-1 models fit the data better that the null models significantly, indicating that adding level-1 variables are justified.

Table 4.6: Hierarchical linear modelling results for PSB and ASB

	PSB			ASB		
Variable	**Null model**	**Model 2**	**Model 3**	**Null model**	**Model 2**	**Model 3**
Level 1						
Intercept	4.49*** (0.027)	4.49*** (0.027)	4.49*** (0.026)	4.64*** (0.015)	4.64*** (0.015)	4.64*** (0.014)
Experience		0.03 (0.017)	0.02 (0.017)	-	0.002 (0.014)	0.00 (0.014)
Qualification		0.04* (0.014)	0.03* (0.015)	-	0.02 (0.013)	0.03* (0.013)
Big 5		0.07* (0.031)	0.07* (0.031)	-	0.02 (0.022)	0.005 (0.022)
PsyCap		0.56*** (0.047)	0.57*** (0.045)	-	0.17*** (0.036)	0.17*** (0.033)
Level 2						
PSC	-	-	0.23* (0.104)	-	-	0.19*** (0.056)
Cross level interaction						
PSC×PsyCap	-	-	0.3 (0.198)	-	-	0.4* (0.161)
Within-group residual variance	0.15	0.06	0.06	0.07	0.06	0.05
R^2 within-group		0.50			0.20	
R^2 between-group			0.66			0.28
Model deviance	572.09	120.71	118.43	134.39	65.47	52.63

Note: *p<0.05,*** p<0.001, The number of level 1 unites= 537, The number of level 2 unites= 56,
Valus in parantese are standard errors. R2 within-group= Proportion of within-store variance explained by level 1 predictors. R2 between-group= Proportion of between-store variance explained by level 2 predictors.

The likelihood ratio tests, shown in Table 4.7, show the differences to be significant at better than the 0.001 level and 0.001 for ASB and PSB models respectively.

Table 4.7: Likelihood ratio test for the leve1 ASB and PSB mlodels compared to the respective null models

ASB level 1 model	PSB level 1 model
Deviance = 65.468995	Deviance = 120.712916
Number of estimated parameters = 4	Number of estimated parameters = 4
Variance-Covariance components test	**Variance-Covariance components test**
$\chi 2$ statistic = 68.92157	$\chi 2$ statistic = 13.67765
Degrees of freedom = 2	Degrees of freedom = 2
p-value = <0.001	p-value = 0.001

Hypotheses 1a and 1b predicted that service employees' individual level PsyCap positively affects individual level ASB and PSB. The random error variance on the intercept was significant for both models (see table 4.6). According to the results, none of the control variables was significant in the level-1 model of ASB but service employees' qualification and personality (Big 5) were positively related to PSB. The results show that individual employees experience, qualification and personality traits were not significantly associated with their ASB while their qualifications and personality traits were associated with their PSB implying that PSB is affected by individual-level factors more than ASB. PsyCap was positively related to both individual ASB ($\hat{y}=0.17,\ p<0.001$) and PSB ($\hat{y}=0.56,\ p<0.001$). Therefore, both hypotheses 1a and 1b were supported.

Full random coefficients models

Hypotheses 2a and 2b predicted that PSC is positively associated with individual ASB and individual PSB. Hypotheses 3a and 3b proposed cross-level interaction of PSC and PsyCap in affecting individual ASB and PSB. To test these hypotheses, two full random coefficients or the "intercepts-and-slopes-as-outcomes" models of ASB and PSB were estimated (Table 4.6) including control variables and PsyCap at level-1 and PSC at level-2. In both models (model 3 for ASB and PSB), the level-1 intercepts and

the level-1 slopes of PsyCap were predicted as random effects. Model deviance, which is the baseline for model fit, dropped from 65.47 in the random coefficient regression model to 52.63 in the full random coefficient regression model (level-1 model) of ASB. For PSB models, deviance dropped from 120.71 in the random coefficient regression model to 118.43 in the full random coefficient regression model. The likelihood ratio tests, shown in Table 4.8, show the differences to be significant at better than the 0.001 level for both ASB and PSB models.

Table 4.8: Likelihood ratio test for the full ASB and PSB models compared to the respective level-1 models.

ASB full model	PSB full model
Deviance = 52.629488 Number of estimated parameters = 4	Deviance = 118.433598 Number of estimated parameters = 4
Variance-Covariance components test	**Variance-Covariance components test**
χ^2 statistic = 81.76107 Degrees of freedom = 2 p-value = <0.001	χ^2 statistic = 15.95696 Degrees of freedom = 2 p-value = <0.001

According to the results shown in table 4.6, in the ASB model, when level-2 variable (PSC) and the cross-level interaction of PSC and PsyCap were added to the model only, service employees' qualification among the control variables significantly affected ASB. In the PSB model, service employees' qualification and personality traits (Big 5 factors) were significant control variables. The results imply that PSB was affected by more individual-level factors (i.e., qualification and Big 5) than ASB was. In both models, individual PsyCap demonstrated significant relationships with ASB ($\hat{y}$*=0.17, p<0.001*) and PSB ($\hat{y}$*=0.57, p<0.001*). At level-2, PSC was positively

associated with both ASB ($\hat{y}=0.19,\ p<0.001$) and PSB ($\hat{y}=0.23,\ p<0.05$). Therefore, hypotheses 2a and 2b were supported.

To test the cross-level interaction of PsyCap and PSC in ASB and PSB full models, PSC was used to model the level-1 slope of PsyCap as well as the level-1 intercept. Table 4.6 (ASB) shows the interaction between PsyCap and PSC was significant ($\hat{y}=0.4,\ p<0.05$) implying that PSC at level-2 accounted for a significant portion of the variance in the strength of the relation of PsyCap with ASB scores across branches. That is, the effect of the interaction between PsyCap and PSC on ASB was stronger than those of PsyCap at level-1 and PSC at level-2 on ASB. Thus, hypothesis 3a was supported. The interaction between PsyCap and PSC in PSB full model shown in Table 4.6 (PSB) was not significant meaning PSC at level-2 did not account for a significant portion of the variance in the strength of the relation of PsyCap with PSB scores across branches. Thus, hypothesis 3b was not supported.

4.3.4. Branch-level analyses

At the branch level, hypotheses 4 and 5 proposed that ASB and PSB are positively related to customer engagement behaviour (CEB) and customer repurchase intentions (CRI) at branch-level. To test these hypotheses, a series of regression analyses were conducted. Regression model summaries are presented in Table 4.9. The overall CEB model at branch level ($F\ (3, 52) = 16.32,\ P<0.001,\ R^2=0.48$) as well as overall CRI ($F\ (3, 52) = 36.65,\ P<0.001,\ R^2=0.68$) were significant. The results, which are reported in Table 4.10 show that ASB ($b= 0.108,\ p>0.05$) was not significantly related to CEB but PSB ($b= 0.328,\ p<0.001$) was significantly positively related to CEB at branch-level. Therefore, hypothesis 4a was not supported but hypothesis 4b was supported. Also, the relationship between ASB and CRI ($b= 0.925,\ p<0.001$) as well as the relationship

between PSB and CRI (*b= 0.679, p<0.001*) at branch-level were positive and significant, supporting hypotheses H5a and H5b.

Table 4.9. The branch-level model summary

Outcome	R	R-sq	F	df1	df2	p
ASB	.32	.10	6.58	1.00	54.00	.01
PSB	.35	.12	7.99	1.00	54.00	.01
CEB	.69	.48	16.31	3.00	52.00	.000
CRI	.82	.68	36.64	3.00	52.00	.000

Hypotheses 6 and 7 predicted the indirect positive effect of PSC on CEB and CRI via ASB and PSB (as mediators) at branch-level. A parallel multiple mediator model was conducted with the bootstrapping method, using Hayes (2013) PROCESS macro (model 4), to test these hypotheses. In this approach, 95% confidence intervals (CI) of the parameter estimates were obtained by running resampling 10,000 times. The results in Table 4.10 reveal that PSC was positively associated with ASB (*b= 0.174, p<0.05*) and PSB (*b= 0.426, p<0.01*) and as mentioned above, all relations of ASB and PSB with CEB and CRI at branch level were significant and positive except the effect of ASB on CEB. The 95% confidence interval (CI) of the direct effect of PSC on CEB [-0.165, 0.090] and also those of PSC on CRI [-0.405, 0.040] included zero, indicating the non-significant direct effects of PSC in both CEB and CRI mediation models (see Table 4.10). The results of mediation hypotheses testing are presented in Table 4.11. The 95% CI of the indirect effects of PSC on CEB through ASB [-0.019, 0.083] included zero, indicating the non-significant mediating effect of ASB. Therefore, hypothesis 6a was not supported. The 95% CI of the indirect effects of PSC on CEB through PSB [0.038, 0.277] did not include zero supporting the hypothesis 6b regarding the mediating effect of PSB in the relationship between PSC and CEB. The 95% CI of the indirect effects of PSC on CRI through ASB and PSB [0.046, 0.352 and 0.112, 0.569] respectively, did

not include zero. Thus, Hypotheses 7a and 7b were supported, indicating the mediating effects of ASB and PSB in the relationship between PSC and CRI.

Table 4.10: The branch-level regression models

Outcomes	Predictors	Coefficient	SE	t	LLCI	ULCI
ASB	**PSC**	0.174*	0.068	0.038	0.038	0.310
PSB	**PSC**	0.426**	0.150	2.828	0.124	0.728
CEB	**ASB**	0.108	0.128	0.849	-0.148	0.364
	PSB	0.328***	0.057	5.716	0.213	0.444
	PSC	-0.038	0.063	-.595	-0.165	0.090
CRI	**ASB**	0.925***	0.222	4.157	0.479	1.372
	PSB	0.679***	0.100	6.782	0.478	0.880
	PSC	-0.183	1.650	0.105	-0.405	0.040

* $p<0.05$
** $p<0.01$
*** $p<0.001$

Table 4.11: Indirect effects of PSC on CEB and CRI through ASB and PSB

Outcomes	Predictors	Effect	Boot SE	LLCI	ULCI
CEB	ASB	.0188	0.024	-0.019	0.083
	PSB	0.14	0.059	0.038	0.277
CRI	ASB	0.161	0.075	0.046	0.352
	PSB	0.289	0.112	0.112	0.568

4.4. Chapter summary

The results of the data analysis and hypothesis testing were presented in this Chapter. The chapter started with preliminary analysis including sample profile, reliability and validity of the measures. This was followed by hypothesis testing comprising two subsections, the HLM approach for multilevel and cross-level hypotheses and level-2 or the branch-level analysis for level 2 and mediation analysis. The summary of results against the hypotheses is included in table 4.12.

Table 4.12. Summary of the hypotheses

Hyp		Data origin	Level of analysis	Coefficient	Finding
H1a	Service employees' individual level psychological capital (PsyCap) positively affect individual level adaptive service behaviour (ASB).	*Employees and managers*	*Individual*	*$\hat{Y}$=0.17****	supported
H1b	Service employees' individual level psychological capital (PsyCap) positively affect individual level proactive service behaviour (PSB).	*Employees and managers*	*Individual*	*$\hat{y}$=0.56****	supported
H2a	Psychosocial safety climate (PSC) at branch level is positively associated with adaptive service behaviour (ASB) at individual level.	*Employees and managers*	*Cross-level*	*$\hat{y}$=0.19****	supported
H2b	Psychosocial safety climate (PSC) at branch level is positively associated with proactive service behaviour at individual level.	*Employees and managers*	*Cross-level*	*$\hat{y}$=0.23**	supported
H3a	Psychological capital (PsyCap) at individual level interacts with psychosocial safety climate (PSC) at branch level and adaptive service behaviour (ASB) at individual level.	*Employees and managers*	*Cross-level*	*$\hat{y}$=0.4**	supported
H3b	Psychological capital (PsyCap) at individual level Interacts with psychosocial safety climate (PSC) at branch level and proactive service behaviour (PSB) and at individual level.	*Employees and managers*	*Cross-level*	*$\hat{y}$=0.3*	not supported
H4a	At branch-level, adaptive service behaviour (ASB) is associated with customer engagement behaviours (CEB).	*Managers and customers*	Branch-level	*b= 0.108*	not supported
H4b	At branch-level, proactive service behaviour (PSB) is associated with customer engagement behaviours (CEB).	*Managers and customers*	Branch-level	*b=0.328****	supported
H5a	At branch-level, adaptive service behaviour (ASB) is associated with customer repurchase intention (CRI).	*Managers and customers*	Branch-level	*b=0.925****	supported
H5b	At branch-level, proactive service behaviour (PSB) is associated with customer repurchase intention (CRI).	*Managers and customers*	Branch-level	*b=0.679****	supported
H6a	At branch-level, adaptive service behaviour (ASB) mediates the relationship between psychosocial safety climate (PSC) and customer engagement behaviours (CEB).	*Managers, employees and customers*	Branch-level	*Indirect effect:0.019*,CI [0.019,0.083]	not supported
H6b	At branch-level, proactive service behaviour (PSB) mediates the relationship between psychosocial safety climate (PSC) and customer engagement behaviours (CEB).	*Managers, employees and customers*	Branch-level	*Indirect effect:0.014*, CI[0.038,0.277]	supported
H7a	At branch-level, adaptive service behaviour (ASB) mediates the relationship between psychosocial safety climate (PSC) and customer repurchase intentions (CRI) at branch-level.	*Managers, employees and customers*	Branch-level	*Indirect effect*:0.161 CI[0.046, 0.352]	supported
H7b	At branch-level, proactive service behaviour (PSB) mediates the relationship between psychosocial safety climate (PSC) and customer repurchase intentions (CRI) at branch-level.	*Managers, employees and customers*	Branch-level	*Indirect effect*:0.289 CI[0.112, 0.569]	supported

Note: The final sample size included 56 managers, 513 service employees and 560 customers which are consided in all individual-level constructs. Data for branch-level constructs aggregated to 56 branches.

Chapter 5. Discussion and conclusion

5.1. Introduction

This study aimed to examine the impact of psychosocial safety climate (PSC) and its interaction with psychological capital (PsyCap) on customer outcomes through the mediating effects of service employees' adaptive (ASB) and proactive service behaviours (PSB).

To achieve this aim, two research questions were posed. The first question related to the top-down effect of a specific facet of organisational climate, namely, psychological safety climate, on employee service behaviours and in turn on customer outcomes: *to what extent does PSC influence customers' behaviours and behavioural intentions through ASB and PSB (RQ1)?* The second question was designed to investigate the effect of the interaction between employees' individual positive psychological capabilities and their perceptions of the level of PSC on service employees' task-related, extra role, performance: *to what extent do PsyCap and PSC interact with each other in affecting PSB and ASB (RQ2)?*

To address these specific research questions, a two-level theoretical framework of positivity was developed to set out the conditions required for adaptive and proactive service behaviours (outlined in Chapter 2, Figure 2.1). The theoretical model integrated a positive organisational behaviour/positive organisational scholarship lens with an emerging occupational health and safety climate construct. The theoretical framework supported seven hypotheses that addressed two levels of analysis (individual and branch level). The framework included two outcome variables, customer engagement behaviours (CEB) and customer repurchase intention (CRI) at branch level; two

mediating variables (ASB and PSB) both at individual and branch level, and two independent variables, PsyCap at the individual level and PSC at the branch level.

Individual-level relationships were addressed by hypotheses 1a and 1b and concerned with the extent to which PsyCap influenced ASB and PSB. The cross-level relationships presented in hypotheses 2a and 2b were concerned with the effects of PSC on individual ASB and PSB. Hypotheses 3a and 3b were concerned with the interaction between individual PsyCap and branch level PSC in affecting ASB and PSB. Branch level relationships included in hypotheses 4 to 7 were related to the effects of ASB and PSB on customer outcomes and the mediating roles of ASB and PSB in the relationship between PSC and customer outcomes. Hypotheses 1(a,b), 2 (a,b), 4(a,b) and 5(a,b) concerning direct relationships and hypotheses 6(a,b) and 7(a,b) concerning indirect relationships of the proposed model addresses the first research question. Hypothesis 3(a,b) which addressed the second research question, were concerned with the cross-level relationships. This chapter commences with interpretations of the results with respect to hypotheses 1 to 7, followed by discussion of the theoretical and practical implications. Finally, the chapter concludes by canvassing the limitations of the study and suggesting recommendations for future research.

5.2. Discussion of results related to individual level relationships (H1a and H1b)

The study proposed that the psychological capital of service employees is important in predicting the level of their engagement in adaptive and proactive service behaviours. High PsyCap service employees are efficacious in providing adapted services to customers. They hope to offer appropriate solutions to problems and have positive expectations about the future. They are also capable of turning failure into success in a service relationship. Therefore, they are energised to make extra efforts in serving customers over and above what is expected of them (Friend et al., 2016). Higher

levels of individual PsyCap make service employees more flexible and optimistic, particularly when serving demanding customer needs or facing service failure.

As discussed in chapter three, the dependent variables (ASB and PSB) were measured using supervisor-rated, individual level, measures. Hypothesis 1a focused on the relationship between PsyCap and ASB and hypothesis 1b focused on the relationship between PsyCap and PSB. The results presented in Section 4.2.3.2 indicate that PsyCap positively affected ASB and PSB at the individual level, supporting hypotheses 1a and 1b. As expected, individual service employees higher in PsyCap seem to be more likely to engage in ASB and PSB than those with lower PsyCap. Generally, service employees who were more positive exhibited more ASB and PSB than those who tended to be more negative. Based on Fredrickson's (2003) "broaden and build" model, service employees experiencing positive emotional states, including higher levels of hope, efficacy, resilience and optimism (PsyCap) broaden their thought-action repertoires and consequently increase their potential for proactive and adaptive behaviours.

5.3. Discussion of results related to top-down relationships (H2a and H2b)

The study proposed that psychosocial safety climate, as an upstream organisational condition, can provide service employees with appropriate resources to improve their engagement in adaptive and proactive service behaviours. Service employees who perceive that their management: tends to place a higher priority on psychological health than on productivity goals; is committed to stress prevention, and undertakes organisational communication regarding psychological health and safety, will be more engaged in adaptive and proactive service behaviours. In a high PSC, service employees' belief in their own capability and that their own capacity to cope may increase, and these enhanced self-beliefs may also help them to engage in risk

taking tasks (Dollard and Bakker, 2010). In addition, in a more positive PSC, service employees experience more control over timing and methods and are able to develop new creative thinking and decision-making skills both of which are required to perform adaptive and proactive service behaviours. PSC, as explained in chapter three, was operationalised as a higher level (branch level) construct and ASB and PSB were measured at the individual level.

Hypotheses 2a and 2b proposed that PSC, at the branch level, is positively related to ASB and PSB at the individual level and these hypotheses were supported. These findings were consistent with the hierarchical nature of PSC which suggest a shared perception of psychosocially safe work environment at organisational-level can affect employees' work engagement and occupational health at individual-level. Given that, PSC is conceived of as an organisational resource, which can affect service employees' motivation and capabilities in engaging in the tasks that require cognitive abilities and job control. Service employees who perceive the organisational climate as being high in PSC, will have increased task-related resources and will be able to think "out-of-the-box" when serving customers and solving their problems. In addition, according to social exchange theory, when service employees perceive the organisational climate as being one that psychosocially supports them, they will try to reciprocate the perceived support. They undertake positive, task-related behaviours in response to perceived needs, such as the need for adaptive and proactive service behaviours. Such behaviours add value (benefit) to both the organisation and its customers, over and above the value added by performance of the formal role.

5.4. Discussion of results related to cross level interactions (H3a and H3b)

The study proposed that psychosocial safety climate at the branch level and the psychological capital of service employees at the individual level will interact to affect

adaptive and proactive service behaviours. Conservation of resource theory posits that in demanding conditions individuals tend to conserve their personal resources and combine them with other available resources, such as working conditions and social and environmental resources, to meet demands. Specifically, similar resources tend to aggregate in response to a demanding situation, which causes resource lose (Hobfoll, 2014). Since PsyCap and PSC share psychological elements, synergies are generated between the PsyCap of individual service employees and PSC, an organisational-level resource allowing service employees to unlock their potential capabilities and abilities to engage in task-related extra- role behaviours such as ASB and PSB.

Hypothesis 3a proposed that the interaction between PsyCap at the individual level and PSC at the branch level positively affects ASB. The results indicate that the interaction between PsyCap and PSC positively affected ASB, thus supporting hypothesis 3a. The result implies that individual PsyCap and branch-level PSC interact in a synergistic manner to affect service employees' engagement in ASB, beyond their positive, direct effects. When service employees comprehend that working conditions are psychosocially safe and supportive, it provides them with cognitive and especially affective resources and their capacity to exercise job control (e.g., skill discretion and decision authority) improves. Hence, according to social exchange theory (Blau, 1964), levels of employee engagement in ASB increase. Service employees with higher job control gain a better understanding of customer needs and offer more appropriate service alternatives (Wilder, 2014). Therefore, individual-level states can interact with branch-level characteristics in predicting positive, task-related, discretionary behaviours (Luthans & Youssef, 2007).

Hypothesis 3b proposed that the interaction between PsyCap at the individual level and PSC at the branch level will positively affect PSB. The results indicate that the

interaction between PsyCap and PSC did not significantly affect PSB and consequently, hypothesis 3b was rejected. Despite the significant, positive, direct effects of both PSC and PsyCap on PSB, PSC did not strengthen the positive effect of PsyCap on PSB (see Table 4.5). The results presented in Table 4.5 show that PSC and PsyCap significantly positively affected ASB and PSB. However, the effect of PsyCap on PSB was stronger than the effect of PsyCap on ASB. In addition, PSB was more strongly affected by PsyCap than PSC, but ASB was influenced by PsyCap and PSC almost equally. The results indicate that ASB and PSB use resources from a combination of individual and organisational resources in a different way. Overall, the individual-level factors predominantly affected PSB in comparison to the branch-level factor (PSC). Perhaps because of the strong effect of PsyCap on PSB, the positive effect of PSC could not reinforce this effect. For example, when a service employee's behaviour is highly influenced by his/her individual characteristics, as seen with PSB, the weaker effect of environmental factors cannot change the influence of individual-level factors such as PSC. Characteristics of proactive service behaviour, including orientations to be self-starting and forward-thinking, mostly depend on individual traits, states and capabilities, rather than on environmental factors. In comparison, adaptive service behaviour, covering both adaptation in service offering and interpersonal interaction, needs suitable, individual and environmental support almost equally.

5.5. Discussion of results related to branch level relationships (H4a, H4b, H5a and H5b)

The study proposed that, at branch level, adaptive and proactive service behaviours can shape the branches' customer behaviours and behavioural intentions, during and after the interaction. It is expected that aggregated employee service behaviour, at the branch level, would contribute to achieving desirable customer

behaviours towards the branch. The nature of the service relationship is unpredictable because of diverse customer needs and requirements. Hence, service employees are required to not only adapt their behaviour and services to the customers' demands, but also they need to exercise their initiative to anticipate customer needs and avoid the risk of potential service failure by ensuring any problems that arise will not happen again. Drawing on Social exchange theory (Blau, 1964) customers of a branch who perceive that the service employees are inclined to devote their time and energy to their customer service to a greater extent than what they are required to, show more positive behaviour toward the branch and employees during, after and even beyond the service transaction.

Hypotheses 4a and 4b proposed that at branch-level, ASB and PSB are associated with customer engagement behaviours (CEB) including cooperation, feedback and positive word of mouth. Hypothesis 4a, was not supported, but hypothesis 4b was: ASB was not significantly associated with CEB but PSB was. The non-significant finding of hypothesis 4a is particularly thought-provoking. A possible explanation might be that when service employees struggle to adjust their behaviour or service offering to comply with customers' needs, customers maybe attribute the service or behavioural adaptation to service ineffectiveness and lack of appropriate policies and procedures or employees' lack of service knowledge specifically during complaint handling. This unexpected finding could also be due to the conceptualization and measurement of ASB in the literature being different from customers' perceptions of ASB (Hartline & Ferrell, 1996). That is, customers might not perceive ASB as an extra-role behaviour that service employees undertake to satisfy them. According to social exchange theory customers may not be motivated to engage in positive behaviours beyond the service interaction. As a result, ASB across the service relationship may have no effect on CEB.

The evidence of the positive relationship between PSB and CEB demonstrated proactive service employees who step forward to anticipate customer needs and future service issues and address the cause of the problems in advance, and who endeavour to find creative ways of service delivery and new opportunities to improve the quality of service, increase the motivation of customers to positively engage with them and the branch. If service employees successfully engage in PSB, they prevent service failure from happening and decrease the levels of customer dissatisfaction and thus customers cooperate with them, provide feedback and spread positive word of mouth.

Hypotheses 5a and 5b which stated that at the branch level ASB and PSB are positively associated with customer repurchase intention (CRI), were both supported. Increasing the competitiveness of the service market gives the customers the authority to stay with or leave a service relationship. Service employees' task-related behaviour, including ASB and PSB, can instil a sense of social bond, trust and personal recognition in customers which, in turn, improve customer loyalty and the possibility of future interactions with the service company (Liao & Chuang, 2007; Román & Iacobucci, 2010). Blau's (1964) social exchange theory suggests that superior task-related service behaviours (ASB and PSB) increase switching costs and attractiveness of the current service relationship compared with the other available options. Service employees and customers spend their resources such as time, knowledge and money on the exchange relationship. For example, customers express their needs and requirements, spending time and effort. Proactive service employees spend time and effort taking the initiative to anticipate customers' needs, to prevent service problems and cooperate with other employees to find creative service solutions. Adaptive service employees examine customer needs and adjust their service offerings based on these needs. Service employees and customers prefer to continue the service relationship if both parties gain

more benefit from the relationship compared with what they spend on that. Therefore, customers will stay in the service relationship for longer if service employees can provide them with an attractive service that benefits them.

5.6. Discussion of results related to branch level mediating relationships (H6a, H6b, H7a and H7b)

The study proposed that service employees' branch level task-related behaviours act as a mediator, by transmitting the effect of psychosocial safety climate to the customer and therefore influence their behaviour and behavioural intentions. In addition to shaping service employees' ASB and PSB at the individual level, PSC influences ASB and PSB at branch level, which in turn affects customers' behaviours and behavioural intentions. The triple mechanism of a positive organisational scholarship lens explains how PSC as a higher-level construct driven by management's philosophy, values and actions provide service employees with a psychosocially safe work environment where they can take initiative or discretionary action to serve the customers and motivate them to be engaged and loyal. A high PSC enhances service employees' ability in dealing with service challenges, and helps them to embrace extra risks and be more adaptive and proactive in service delivery. Their positive emotions in a high PSC improve affective resources that enable them to create better service alternatives and solutions. More importantly, positive interaction in a psychosocially safe service environment spreads positive emotions such as feeling safe and supported from employees to customers.

Hypotheses 6a and 6b proposed that at branch-level, ASB and PSB would mediate the relationship between PSC and CEB. Hypothesis 6a was not supported, but hypothesis 6b was supported implying that ASB was not able to transfer the positive effect of PSC to CEB while PSB was a significant conductor of PSC to CEB. Despite

the positive effect of PSC on branch level ASB, PSC could not improve CEB. The main reason for this finding was the nonsignificant effect of branch level ASB on CEB. Although the psychosocially safe working environment encouraged service employees to be engaged in ASB, adaptive behaviour of service employees did not provide enough reason for customers to be positively engaged with the service employees and the company. As pointed out in section 5.2, the difference between customer and service employees' perceptions of ASB might be the reason why a psychosocially safe working environment despite motivating ASB among service employees, could not be adequately reflected in CEB.

The significant mediating role of PSB in the relationship between PSC and CEB indicates that service employees who proactively take initiative to anticipate potential service problems, try to address the source of problems and seek the customers' feedback and satisfaction, were better transmitters of their service environment's psychosocial safety. They spontaneously reflected the psychosocial safety from the intra-service environment to the extra-service environment (i.e., to customers). Positive interaction among proactive service employees in a psychosocially safe service encounter boosts cooperation between the two parties, which results in positive feedback and word of mouth. Service employees' capability in predicting service problems and preventing them from happening as seen in PSB may be perceived by customers as a better sign of a safe and supportive service environment than service employees who struggle to show ASB.

Hypotheses 7a and 7b proposed that at branch-level, ASB and PSB would mediate the relationship between PSC and CRI. Both hypotheses 7a and 7b were supported, indicating that ASB and PSB are shaped within a PSC to motivate customers of the branch to intend to remain with the branch for future service. According to the

POB/POS lens outlined in Chapter2, in a high PSC, service employees take the challenging nature of serving different customers as a new opportunity, increasing their motivation for involvement in problem solving and departing from service norms for the sake of their customers. In this way, they create positive feelings among themselves and their customers and consequently facilitate positive forms of interrelating. In a positive service relationship, customers develop a social bond, trust in service employees, and prefer to stay in the service relationship. In addition, when service employees and customers are in a beneficial exchange, in line with social exchange principles, both of the parties continue the relationship.

5.7. Conclusions regarding the research questions

To provide the empirical evidence addressing the study's research questions, the findings of the study's hypotheses have been discussed in the section above. This section summarises the findings to answer the two research questions by drawing on these findings and linking them to theory.

5.7.1. Research question one

To what extent does PSC does influence customers' behaviours and behavioural intention through ASB and PSB?

Hypotheses 2, 5, 6 and 7 were designed to answer research question one. Using a POB/POS lens as well as social exchange theory as background, the research question focused on the mediating role of ASB and PSB and the extent to which these behaviours relay a psychosocially safe intra-organisational climate (PSC) to extra-organisational outcomes (CEB and CRI) at branch level. The findings related to hypotheses 4 and 5 confirmed the positive relationship between PSB and both CEB and CRI. The findings also supported the positive effect of ASB on CRI although there was no significant relationship between ASB and CEB.

In addition, the findings of this study provided support for the mediating role of PSB in the relationship between PSC and CEB and CRI. The findings also confirmed that ASB mediated the relationship between PSC and CRI but the mediating role of ASB in the relationship between PSC and CEB was not confirmed. The unsupported result of the mediating effect of ASB on the relationship between PSC and CEB and the nonsignificant effect of ASB on CEB were in contrast with theory and other similar hypotheses and therefore were unexpected. Possible reasons for these nonsignificant results have been discussed earlier in this chapter. However, overall the findings show that PSC does influence CEB and CRI via PSB and ASB, although to a greater extend PSB was a transmitter variable.

5.7.2. Research question two

To what extent does PsyCap affect ASB and PSB directly and through intraction with PSC ?

Research question two addressed in hypotheses 1 and 3. Hypothesis 1 was designed to examine the direct effects of PsyCap on ASB and PSB. Hypothesis 3 3 was designed to examine the multi-level nature of positivity in a service environment. Hypothesis 3 investigated the interaction between PSC and PsyCap when affecting ASB and PSB. Hypothesis 1 was confirmed. The findings of the study also confirmed hypothesis 3a with PSC and PsyCap positively interacting in shaping ASB but not hypothesis 3b for the PSB outcome.

The findings confirm that PSC at branch level and PsyCap at individual level directly contribute to ASB and PSB. However, the interaction between PSC and PsyCap positively affected ASB, unexpectedly this interaction effect was not significant in PSB model. Possible reasons for these nonsignificant results include the difference between

the nature of PSB and PSB and customers' perception of these behaviours and have been discussed earlier in this chapter.

In accordance with the findings, the revised study models are presented in Figures 5.1 and 5.2. Dotted lines show unsupported hypotheses. Because of different outcomes with regard to the respective hypotheses, ASB and PSB models are separated to show the differences.

Figure 5.1. Revised model 1 (ASB)

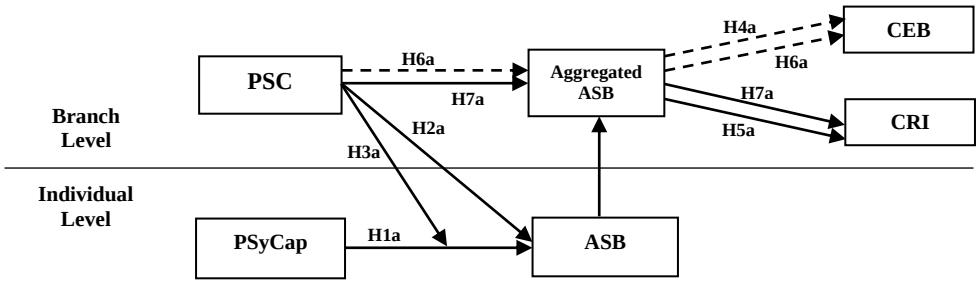
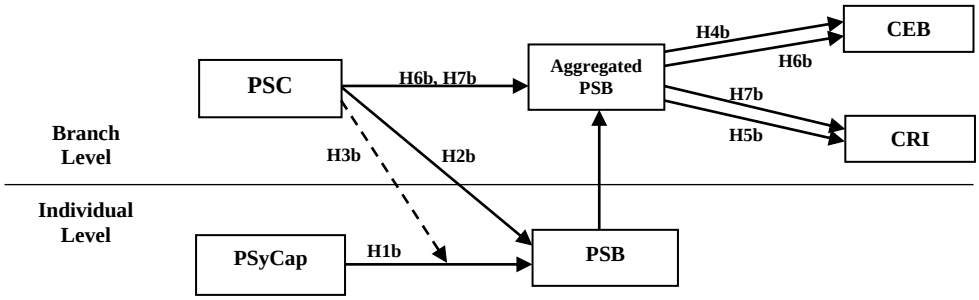


Figure 5.2. Revised model 2 (PSB)



5.8. Research contributions and implications

The results of this research study have significantly contributed to the scholarship of occupational health, positive organisational behaviour, positive organisational scholarship and adaptability in service roles. In addition, the insights gained from this study may be of assistance to service managers in several ways.

Theoretical contributions and practical implications are provided in the next two subsections.

5.8.1. Theoretical contributions

The multilevel model of positivity developed and tested in this research suggests that employees' perceptions of psychosocial safety along with their psychological capital improves service employees' engagement in positive task-related, extra-role service behaviours. These behaviours, specified in this thesis as adaptive and proactive service behaviours, are especially relevant to service customers' engagement based on the specific characteristics of service.

From a theoretical perspective, this research makes five important contributions. As noted previously, service organisations need adaptive and proactive employees to stay competitive in the market. However, marketing and service literature are still lacking the measures that organisations can take to improve employees' adaptive and proactive behaviours (Parker et al., 2010). Classic theories of management and organisational behaviour stressing managerial control, economics and financial efficiency (Dutton et al., 2007) have failed to motivate organisations to create an environment which enables and encourages employees to use their potential and think out of the box (Cameron & Caza, 2004), and be adaptive and proactive. In addition, no research studies have examined the joint effect of adaptive and proactive service behaviours on customer outcomes as has been in the current study.

First, as discussed in chapter two, the multilevel model of positivity extends positive organisational behaviour, occupational health and service marketing literature not only by considering positivity within different organisational levels including management and employees, but also by extending positivity through service relationships with customers. The positivity of management philosophy is reflected in

an organisational climate, which facilitates service employees' behaviour that enhances customer engagement, and repurchase intention. Friend et al. (2016), in a literature review, suggested potential outcomes of PsyCap as the main construct of positive organisational behaviour in a sales environment in three levels including individual, intra-organisational and extra-organisational. At the individual-level, PsyCap impacts sales employees' attitudes, behaviours, and performance and at intra- and extra-organisational level, PsyCap's effect can transfer within the organisation and even beyond the organisation to customers and to other organisations.

Using the job demands–resources framework (Bakker & Demerouti, 2007; Demerouti, Bakker, Nachreiner, & Schaufeli, 2001), and a multi-level approach, Dollard and Bakker (2010) constructed a model of workplace psychosocial safety climate (PSC) to explain how PSC, as influenced by top managers' work philosophy, affects conditions of psychosocial working environment and consequently improves psychological health and work engagement of employees.

The multilevel nature of both PsyCap and PSC were recognized in the related literatures; however, positive organisational behaviour literature overlooked the interaction between environmental factors and PsyCap in affecting employees attitudes and work-related behaviours which in turn affect customer outcomes in sales and service environments. Similarly, the model of workplace psychosocial safety climate (PSC) did not include employees' psychological state and the contagious effect of organisational psychosocial condition on individual employee's task-related behaviours, specifically extra-role behaviours, and on their customers' outcomes. This study has shown how these concepts can be integrated theoretical.

Second, few empirical studied have examined general-action adaptive and proactive behaviours simultaneously in the context of organisational change or

uncertain working environments (Griffin et al., 2007; Neal, 2011; Nguyen et al., 2016). These research studies mostly considered employees adaptive and proactive behaviours as organisational- or self-oriented proactive and adaptive behaviours. Adaptive and proactive service behaviours have been advanced separately in the marketing literature. The importance of these task-related behaviours in service environments in shaping customers' behaviours, makes the investigation of adaptive and proactive service behaviours simultaneously a critical contribution to the service literature. As discussed earlier in this chapter, according to the results of the hypothesis testing, PSB was positively associated with CEB and CRI. ASB also was positively associated with CRI, however, the effect of ASB on CEB was rejected, possibly because of the difference between service employees' and customers' perceptions of ASB. The findings contribute to the relationship between PSB and both customer outcomes and the relationship between ASB and CRI for the first time.

Third, according to PSC theory, high PSC at the organisational level is a lead indicator of lower psychosocial health problems and higher employee engagement (Dollard & Bakker, 2010). Although Dollard and McTernan (2011) mentioned that high PSC is related to safety outcomes and quality of service, there are no empirical studies which support the effect of PSC on customer outcomes. This study then has contributed to PSC theory by incorporating the contagion effect of the intra-organisational climate to extra-organisational outcomes including customer engagement and repurchase intention through ASB and PSB. During service interactions, employees who perceive a high PSC reflect their perception of psychosocial safety to the customers and increase their level of engagement and intention to repurchase. The findings of the study supported the idea that intra-organisational climate can affect extra-organisational

outcomes through service employee behaviours, specifically task related extra-role behaviours.

Fourth, this research integrates positive organisational behaviour and its main construct PsyCap, at the individual-level and occupational health and safety literature including PSC at the organisational-level. The study model, using a multilevel approach, explained how an individual's psychological state and their aggregated perception of a psychosocially safe climate jointly motivate service employees' positive task-related extra-role service behaviours. Both PSC and PsyCap are comprised of psychologically important elements. PsyCap at individual level is a compound personal recourse comprised of hope, efficacy, resilience and optimism. PSC encompasses four inter-related principles including a higher level of senior management commitment and support for stress prevention; the priority management gives to psychological health, organisational communication, participation, and involvement in relation to psychological health and safety (Hall et al., 2010). PSC can act as a higher-level support, when interacting with individual-level variables, by giving permission for influential support or by providing a safe working environment where employees feel free of risks to go beyond their job requirement or be innovative (Dollard & McTernan, 2011). In line with conservation of resource theory, resources are not separated, but they link together as resource caravans (Hobfoll, 2014). Therefore, the interaction between PSC and PsyCap can jointly affect ASB and PSB. That is, high PSC reinforces the effect of PsyCap on service employees' task-related performance. However, the findings showed the interaction or joint effect of PSC and PsyCap could affect task-related behaviour of service employees whenever PsyCap does not outweigh PSC. According to the results shown in Table 4.5, when PsyCap was the predominant

predictor of PSB, the interaction between PSC and PsyCap did not significantly affect PSB.

Fifth, the study used a POB/POS lens to model the effect of PsyCap and a psychosocially safe working environment on service employees' task-related behaviours during service interactions, to benefit the service company and customers. POB literature has been critiqued for overlooking new challenges in work environments such as the changing organisational expectations from employees to show extra-role behaviours and employees' expectation to have a chance of lifelong development and alternative career paths (Avey et al., 2010). Organisational level practices that create a safe and supportive working environment enhance employee engagement, customer satisfaction and organisational profitability (Luthans & Youssef, 2007). The POS lens can be employed in macro-level or multi-level conceptual frameworks to organise and integrate positivity in organisations (Cameron et al., 2003). Integrating these theoretical foundations within a service context connects PSC as a higher level environmental factor, and PsyCap as the individual factor in a positive multi-level framework for service environments and this allows future research to apply such a framework in service research.

5.8.2. Practical implications

The proposed model of positivity has practical implications for service managers. The propositions of the model clearly show that a psychosocially safe working environment provided by managers can improve service employees' motivation and capabilities in going the extra mile to address customers' current and future needs and requirements. As doing prescribed task roles may not suffice to satisfy service customers, let alone encourage them to stay loyal and positively engage with the service organisation, nurturing adaptive and proactive service behaviours among service

employees is very salient. It would not be practically possible to simply hire service employees who are inclined to be adaptive and proactive. Thus, to increase service employees' adaptivity and proactivity, service organisations, first need to create an organisational climate which cares about the internal and external organisational members' psychosocial health and safety. This, in turn, will enable service employees to spend more time and energy to be other-focused. To do so, senior service managers should embrace the philosophy of psychosocial safety climate, relying on a balance between efficiency and health, which affects the policies, procedures and practices of the service organisation.

Similarly, service organisations can develop other indicators of a psychologically positive work environment such as the degree to which service employees "positively appraise the circumstances and possibilities of success based on motivated effort and perseverance" (Luthans, Youssef, et al., 2007. p.550). The sense of optimism, hope, self-efficacy and resilience (i.e., psychological capital) is a valuable resource that service organisations can advance among their employees. Brief interventions to develop PsyCap are available and show initial evidence of return on investment (Luthans et al., 2010), and could be offered to employees as professional development.

The results of this study showed that higher levels of PsyCap promoted employees' adaptive and proactive behaviours that indirectly positively affected customer outcomes. Promoting PsyCap of service employees can heighten their sense of what are the appropriate attitudes and behaviours in service environment. As a result, advancing service employees' PsyCap is likely to increase their motivated effort and perseverance which impacts their motivation and intention to engage in task-related extra roles and enrich customer outcomes.

This study was conducted in the context of insurance companies in Iran as a developing country. Like other developing countries, service employees in Iranian insurance companies are confronted with changing work patterns and occupational health systems. This service sector has also been affected by the processes of transferring state-owned and operated businesses, industries, or services to private ownership and control (Economy–overview, 2015). Because of this process, the number of private insurance companies, their market share and profit has increased. As mentioned earlier, the findings of this study showed that organisational policies and practices supporting service employees' psychosocial health and safety and their psychological capital can not only improve employees' task-related service behaviour but their customers' positive engagement and intention to repurchase. Therefore, the practical implications of this study can accelerate the performance and growth rate of these insurance companies. Also, the results can be generalised to different service sectors across various developing countries because of similarities in their contextual factors.

5.9. Study limitations

As in any empirical study, the findings of this research should be considered in light of a few limitations. The sample for this study included the mangers, employees and customers of service company branches. Although different insurance companies were involved, the nature of the service was similar and in the Iranian context with one policy maker supervising the insurance market regulations. The compatibility across branches was an advantage because it prevented the potential external and confounding effects of different organisational climate, services, proactive and adaptive perception among employees, and so on. However, the homogeneity of the sample may limit the generalizability of the results. Nevertheless, the findings supported the hypotheses

developed based on PSC and PSB and service adaptability research and thus might not be sample specific.

The study employed a multilevel approach to examine the joint effects of branch-level PSC and individual-level PsyCap on ASB and PSB and consequently customer outcomes. The software (HLM 7) limits the outcome variable to the individual-level and also is unable to add the mediating variables at the same time and so it is difficult to examine the joint effects of both individual and branch-level variables on customer outcomes. Employing HLM as an analytical approach limited stydying the main constructs as unidimentional. Therefore, some aspects of the constructs of the study might have been overlooked. Specifically, customer engagement behaviour which includes two main subdimentions; customer to customer and customer to company dimensions has been examined unidimentional in accordance with the service being studied (insurance companies). Studying customer engagement behaviour as a unidimentional construct may limit the generalisability of the results to other service companies.

The study included PSC as a contextual factor and service employees' PsyCap, personality traits, age, gender, education and work experience as individual factors that could have an impact on ASB and PSB. However, there are other possible factors at the individual- and branch-levels that can affect ASB and PSB, such as employees' service knowledge and training, job satisfaction, branch level characteristics, leadership style and service climate. Finally, the cross-sectional design of the study prevented causal inferences to be made. Examining temporal order is risky in cross-sectional research because of the snapshot nature of the data. Cross-sectional data that is used to analyse causal processes at only a single time frame is unable to explain significant long term dynamic processes (Neuman, 2013).

5.10. Directions for future research

This study provides promising avenues and new directions for further research, which are introduced in this section. The proposed multilevel model of positivity allows future research to apply this positivity framework in service research. Future studies can replicate and extend this multilevel investigation to other service areas. Other individual, organisational and team level characteristics can also be added to the model. Longitudinal design is highly recommended to be applied to the model. In addition, there are several ways through which future research can contribute to model positivity in service organisations. Researchers can consider the possibility of the return effect of customer engagement on psychosocial resources to incorporate the customers' role in organisational climate and in employees' psychological state. This cyclic effect in the positivity framework can assess customers' impact on employees' performance. Other positive practices at the organisational and/or team and individual levels, such as virtuousness (Cameron et al., 2004), courageous action (Woodard & Pury, 2007), mindfulness (Eberth & Sedlmeier, 2012) and emotional intelligence (Zeidner, Matthews, & Roberts, 2004) can be added to the model.

The positivity in service model can be integrated into job-demand resource models to assess the effect of accumulated positivity at different organisational levels on organisational stakeholders' performance and wellbeing. The possibility of a curvilinear relationship between positive psychosocial resources and service employees' performance (Grant & Schwartz, 2011) could be investigated, as could service employees' extra-role behaviour and customer engagement. The effect of psychosocially safe work environment in services, in addition to employees occupational health, can also be extended to customers wellbeing.

Service researchers can assess mediated models to explain the mechanism through which service employees' extra-role behaviour can affect customer engagement. For example, future research could examine whether service employees' task-related extra-role behaviours directly facilitate customer engagement or if the impact of these behaviours on customer engagement is indirect through improvement of customers' perception of service quality and positive emotion. Future researchers can extend multilevel understanding/theory regarding organisational factors than can be leveraged for greater customer engagement or other customer outcomes. Cognitive and affective aspects of customer engagement can also be studied using multilevel model of positivity. Mulidimentional aspects of psychological capital, psychosocial safety climate and customer engagement behaviour can be considered in multilevel model of positivity in service.

5.11. Conclusion

New competition, changing technologies, and evolving customer needs cause uncertainty in service employees working environment (Wilder, 2014). In such an uncertain working environment, where formal task elements are unable to cover what is required to be effective in satisfying customers' expectations (Nguyen et al., 2016), service employees are expected to be adaptive and demonstrate their ability to deal with and act in response to unpredictable customer demands. They also need to be proactive, because it is less likely to specify customer requirements in advance in uncertain situations. Employees need to be capable of predicting the customer needs or problems and act or behave proactively to be efficient (Nguyen et al., 2016).

Overall, this study found support for proposed hypotheses. This study extended PSC theory through a multi-level modelling approach to customer outcomes. This study is also the first to utilise the POS lens and perspective to explain the effect of PSC as a

resource for strengthening organisations through shaping employee behaviour. From a practical point of view, this study contributes practically to service company managers by highlighting the importance of their commitment to establish a psychosocially safe working environment and service employees' positive state. In addition, to achieve desirable customer outcomes, service companies should encourage service employees to engage in adaptive and proactive service behaviours.

This study is the first to create a link between areas of the service literature, positivity, and occupational health and safety, which is a valuable new research pathway for researchers and importantly for service mangers. This study also made a new and important contribution by providing a new service approach which can develop the idea of creating a balance between employees' occupational health, safety and welling on the one hand, and a customer orientation approach on the other.

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APPENDIX A | MANAGER SURVEY

Survey A

Thank you for your valued assistance, we value your time as we are fully aware how busy you are.
We appreciate you spending approximately 5 minutes of your time to complete this survey. Your experiences and knowledge are important. Please rate this questionnaire about every team member.

Adaptive Service Behaviour

The following statements are about the team members' ability to modify the service and their behavior based on customers' needs. Use the following scale to indicate your level of agreement or disagreement with each statement.

		Strongly disagree						Strongly agree
ASBm1	This team member often adjusts his/her personality from one customer to the next.	**1**	**2**	**3**	**4**	**5**	**6**	**7**
ASBm 2	This team member typically adjusts the tone of his/her voice to fit the type of customer he/she is dealing with.	**1**	**2**	**3**	**4**	**5**	**6**	**7**
ASBm 3	This team member acts differently at different times, depending on the situation.	**1**	**2**	**3**	**4**	**5**	**6**	**7**
ASBm 4	This team member tries to match the level of his/her vocabulary to that of the customer.	**1**	**2**	**3**	**4**	**5**	**6**	**7**
ASBm 5	This team member usually adapts the type of service to meet the unique needs of each customer.	**1**	**2**	**3**	**4**	**5**	**6**	**7**
ASBm 6	This team member uses a wide variety of strategies in attempting to satisfy the customer.	**1**	**2**	**3**	**4**	**5**	**6**	**7**
ASBm 7	This team member can easily suggest a wide variety of services to meet each customer's needs.	**1**	**2**	**3**	**4**	**5**	**6**	**7**
ASBm 8	This team member prides him/herself in customizing the service for the customer.	**1**	**2**	**3**	**4**	**5**	**6**	**7**
ASBm 9	This team member varies the actual service offering on a number of dimensions depending on the needs of the customer.	**1**	**2**	**3**	**4**	**5**	**6**	**7**
ASBm 10	This team member believes that each customer requires a unique approach.	**1**	**2**	**3**	**4**	**5**	**6**	**7**

Proactive Service Behaviour

The following statements are about the team members' ability to anticipate customers' needs and act beyond their formal job to satisfy their customers. Use the following scale to indicate your level of agreement or disagreement with each statement.

		Strongly disagree						Strongly agree
PSBm1	This team member proactively shares information with customers to meet their needs.	**1**	**2**	**3**	**4**	**5**	**6**	**7**
PSBm2	This team member anticipates issues or needs customers might have and proactively develops solutions.	**1**	**2**	**3**	**4**	**5**	**6**	**7**
PSBm 3	This team member uses his/her own judgment and understanding of risk to determine when to make exceptions or improvise solutions.	**1**	**2**	**3**	**4**	**5**	**6**	**7**
PSBm 4	This team member takes ownership by following through with the customer interaction and ensures a smooth transition to other employee.	**1**	**2**	**3**	**4**	**5**	**6**	**7**
PSBm 5	This team member actively creates partnerships with other employee to better serve customers.	**1**	**2**	**3**	**4**	**5**	**6**	**7**
PSBm 6	This team member takes initiative to communicate customer requirements to other service areas and collaborates in implementing solutions.	**1**	**2**	**3**	**4**	**5**	**6**	**7**
PSBm 7	This team member proactively checks with customers to verify that customer expectations have been met or exceeded.	**1**	**2**	**3**	**4**	**5**	**6**	**7**

Demographics

Age m– I am _____ years old.

Gender m - My Gender is: Male ☐ Female ☐

Exp m- I have been working in my current position for _____ years and specifically in this company for_____ years.

Edu m - Please tick the box below for your highest educational level:

☐ High School ☐ Undergraduate ☐ Post Graduate ☐ Others _____

Please be advised that completion and submission of the survey to the student researcher will be taken as evidence of your consent to participate in the study.

Please return the survey in sealed envelope to the student researcher.

THANK YOU FOR YOUR COOPERATION AND VALUED HELP

APPENDIX B | EMPLOYEE SURVEY

Survey B

Thank you for your valued assistance, we value your time as we are fully aware how busy you are.
We appreciate you spending 10-15 minutes of your time to complete this survey. Your experiences and knowledge are important. Please do not hurry as your accurate responses ensure your time is well served.

Psychosocial Safety Climate (PSC-12)

The following statements concern the Psychological Health and Safety in your work place. Please answer with the best option provided.

		strongly Disagree				Strongly agree
PSC1	In my workplace senior management acts quickly to correct problems/issues that affect employees' psychological health.	**1**	**2**	**3**	**4**	**5**
PSC2	Senior management acts decisively when a concern of an employees' psychological status is raised.	**1**	**2**	**3**	**4**	**5**
PSC3	Senior management show support for stress prevention through involvement and commitment.	**1**	**2**	**3**	**4**	**5**
PSC4	Psychological well-being of staff is a priority for this company.	**1**	**2**	**3**	**4**	**5**
PSC5	Senior management clearly considers the psychological health of employees to be of great importance.	**1**	**2**	**3**	**4**	**5**
PSC6	Senior management considers employee psychological health to be as important as productivity.	**1**	**2**	**3**	**4**	**5**
PSC7	There is good communication here about psychological safety issues which affect me.	**1**	**2**	**3**	**4**	**5**
PSC8	Information about workplace psychological well-being is always brought to my attention by my manager/supervisor.	**1**	**2**	**3**	**4**	**5**
PSC9	My contributions to resolving occupational health and safety concerns in the company are listened to.	**1**	**2**	**3**	**4**	**5**
PSC10	Participation and consultation in psychological health and safety occurs with employees', unions and health and safety representatives in my workplace.	**1**	**2**	**3**	**4**	**5**
PSC11	Employees are encouraged to become involved in psychological safety and health matters.	**1**	**2**	**3**	**4**	**5**
PSC12	In my company, the prevention of stress involves all levels of the company.	**1**	**2**	**3**	**4**	**5**

PsyCap Questionnaire (PCQ-12)

The following statements describe how you may think about yourself in your job right now. Use the following scale to indicate your level of agreement or disagreement with each statement.

		strongly Disagree					Strongly agree
PCQ1	I feel confident in representing my work area in meetings with management.	**1**	**2**	**3**	**4**	**5**	**6**
PCQ2	I feel confident contributing to discussions about the company's strategy.	**1**	**2**	**3**	**4**	**5**	**6**
PCQ3	I feel confident presenting information to a group of colleagues.	**1**	**2**	**3**	**4**	**5**	**6**
PCQ4	If I should find myself in a jam at work, I could think of many ways to get out of it.	**1**	**2**	**3**	**4**	**5**	**6**
PCQ5	Right now I see myself as being pretty successful at work.	**1**	**2**	**3**	**4**	**5**	**6**
PCQ6	I can think of many ways to reach my current work goals.	**1**	**2**	**3**	**4**	**5**	**6**
PCQ7	At this time, I am meeting the work goals I have set for myself.	**1**	**2**	**3**	**4**	**5**	**6**
PCQ8	I can be "on my own", so to speak, at work if I have to.	**1**	**2**	**3**	**4**	**5**	**6**
PCQ9	I usually take stressful things at work in my stride.	**1**	**2**	**3**	**4**	**5**	**6**
PCQ10	I can get through difficult times at work because I've experienced difficulty before.	**1**	**2**	**3**	**4**	**5**	**6**
PCQ11	I always look on the bright side of things regarding my job.	**1**	**2**	**3**	**4**	**5**	**6**
PCQ12	I'm optimistic about what will happen to me in the future as it pertains to work.	**1**	**2**	**3**	**4**	**5**	**6**

Adaptive Service Behaviour

The following statements are about your ability to modify the service and your behavior based on customers' needs. Use the following scale to indicate your level of agreement or disagreement with each statement.

		Strongly disagree						Strongly agree
ASBe1	I often adjust my personality from one customer to the next.	**1**	**2**	**3**	**4**	**5**	**6**	**7**
ASBe 2	I typically adjust the tone of my voice to fit the type of customer I am dealing with.	**1**	**2**	**3**	**4**	**5**	**6**	**7**
ASBe 3	I act differently at different times, depending on the situation.	**1**	**2**	**3**	**4**	**5**	**6**	**7**
ASBe 4	I try to match the level of my vocabulary to that of the customer.	**1**	**2**	**3**	**4**	**5**	**6**	**7**
ASBe 5	I usually adapt the type of service to meet the unique needs of each customer.	**1**	**2**	**3**	**4**	**5**	**6**	**7**
ASBe 6	I use a wide variety of strategies in attempting to satisfy the customer.	**1**	**2**	**3**	**4**	**5**	**6**	**7**
ASBe 7	I can easily suggest a wide variety of services to meet each customer's needs.	**1**	**2**	**3**	**4**	**5**	**6**	**7**
ASBe 8	I pride myself in customizing the service for the customer.	**1**	**2**	**3**	**4**	**5**	**6**	**7**
ASBe 9	I vary the actual service offering on a number of dimensions depending on the needs of the customer.	**1**	**2**	**3**	**4**	**5**	**6**	**7**
ASBe 10	I believe that each customer requires a unique approach.	**1**	**2**	**3**	**4**	**5**	**6**	**7**

Proactive Service Behaviour

The following statements are about your ability to anticipate customers' needs and act beyond your formal job to satisfy your customers. Use the following scale to indicate your level of agreement or disagreement with each statement.

		Strongly disagree						Strongly agree
PSBe1	I proactively share information with customers to meet their needs.	**1**	**2**	**3**	**4**	**5**	**6**	**7**
PSBe 2	I anticipate issues or needs customers might have and proactively develops solutions.	**1**	**2**	**3**	**4**	**5**	**6**	**7**
PSBe 3	I use my own judgment and understanding of risk to determine when to make exceptions or improvise solutions.	**1**	**2**	**3**	**4**	**5**	**6**	**7**
PSBe 4	I take ownership by following through with the customer interaction and ensure a smooth transition to other employee.	**1**	**2**	**3**	**4**	**5**	**6**	**7**
PSBe 5	I actively create partnerships with other employee to better serve customers.	**1**	**2**	**3**	**4**	**5**	**6**	**7**
PSBe 6	I take initiative to communicate customer requirements to other service areas and collaborate in implementing solutions.	**1**	**2**	**3**	**4**	**5**	**6**	**7**
PSBe 7	I proactively check with customers to verify that customer expectations have been met or exceeded.	**1**	**2**	**3**	**4**	**5**	**6**	**7**

Big Five Factor Markers

The following statements are about your general view about yourself. Please circle the number which best represents your view.

Factor I: Agreeableness

		Very inaccurate				Very accurate
B51	I am interested in people.	**1**	**2**	**3**	**4**	**5**
B52	I sympathize with others' feelings.	**1**	**2**	**3**	**4**	**5**
B53	I have a soft heart.	**1**	**2**	**3**	**4**	**5**
B54	I take time out for others.	**1**	**2**	**3**	**4**	**5**
PA5	I feel others' emotions.	**1**	**2**	**3**	**4**	**5**
PA6	I make people feel at ease.	**1**	**2**	**3**	**4**	**5**
pA7	I am not really interested in others.	**1**	**2**	**3**	**4**	**5**
PA 8	I insult people.	**1**	**2**	**3**	**4**	**5**
PA9	I am not interested in other people's problems.	**1**	**2**	**3**	**4**	**5**
PA10	I feel little concern for others.	**1**	**2**	**3**	**4**	**5**

Factor II: Conscientiousness

		Very inaccurate				Very accurate
PC1	I am always prepared.	**1**	**2**	**3**	**4**	**5**
PC2	I pay attention to details.	**1**	**2**	**3**	**4**	**5**
PC3	I get chores done right away.	**1**	**2**	**3**	**4**	**5**
PC4	I like order.	**1**	**2**	**3**	**4**	**5**
PC5	I follow a schedule.	**1**	**2**	**3**	**4**	**5**
PC6	I am exacting in my work.	**1**	**2**	**3**	**4**	**5**
pC7	I leave my belongings around.	**1**	**2**	**3**	**4**	**5**
PC 8	I make a mess of things.	**1**	**2**	**3**	**4**	**5**
PC9	I often forget to put things back in their proper place.	**1**	**2**	**3**	**4**	**5**
PC10	I shirk my duties.	**1**	**2**	**3**	**4**	**5**

Factor III: Emotional Stability

		Very inaccurate				Very accurate
PE1	I am relaxed most of the time.	**1**	**2**	**3**	**4**	**5**
PE2	I seldom feel blue.	**1**	**2**	**3**	**4**	**5**
PE3	I get stressed out easily.	**1**	**2**	**3**	**4**	**5**
PE4	I worry about things.	**1**	**2**	**3**	**4**	**5**
PE5	I am easily disturbed.	**1**	**2**	**3**	**4**	**5**
PE6	I get upset easily.	**1**	**2**	**3**	**4**	**5**
pE7	I change my mood a lot.	**1**	**2**	**3**	**4**	**5**
PE 8	I have frequent mood swings.	**1**	**2**	**3**	**4**	**5**
PE9	I get irritated easily.	**1**	**2**	**3**	**4**	**5**
PE10	I often feel blue.	**1**	**2**	**3**	**4**	**5**

Demographics

D1– I am _____ years old.

D2 - My Gender is: Male ☐ Female ☐

D3- I have been working in my current position for _____ years and specifically in this company for_____ years.

D4 - Please tick the box below for your highest educational level:

☐ High School ☐ Undergraduate ☐ Post Graduate ☐ Others _____

D5- My job contract with the company is:

☐ Permanent ☐ Five-year contract ☐ One-year contract ☐ Others _____

Please be advised that completion and submission of the survey to the student researcher will be taken as evidence of your consent to participate in the study.

Please return the survey in sealed envelope to the sealed drop-in box which has been provided at your office.

THANK YOU FOR YOUR COOPERATION AND VALUED HELP

APPENDIX C | CUSTOMER SURVEY

Survey C

Thank you for your valued assistance.

We appreciate you spending 10-15 minutes of your time to complete this survey. Your experiences and knowledge are important. Please do not hurry as your accurate responses ensure your time is well served.

Customer Engagement Behaviour

The following statements are about your relationship with this company. Use the following scale to indicate your level of agreement or disagreement with each statement.

Cooperation

		Strongly disagree				Strongly agree
CEC1	I do things to make the employees' job easier.	**1**	**2**	**3**	**4**	**5**
CEC2	I try to help the company to deliver the best possible service.	**1**	**2**	**3**	**4**	**5**

Feedback

		strongly Disagree				Strongly agree
CEF1	I let this company know of ways to better serve my needs.	**1**	**2**	**3**	**4**	**5**
CEF2	I inform company's employees if I experience a problem.	**1**	**2**	**3**	**4**	**5**
CEF3	I let the company's employees know when they give good service.	**1**	**2**	**3**	**4**	**5**

Positive Word of Mouth

		Strongly disagree				Strongly agree
CEW1	I recommend this company to people interested in insurance.	**1**	**2**	**3**	**4**	**5**
CEW2	I recommend this company to family and friends.	**1**	**2**	**3**	**4**	**5**
CEW3	I say positive things about this company to others.	**1**	**2**	**3**	**4**	**5**

The following statements are about your judgements about buying again a service from this company. Use the following scale to indicate your level of agreement or disagreement with each statement.

Customer Repurchase Intention

		Not likely						Very likely
CRI1	If you were in the market for (insurance), how likely would you be to buy from this company?	**1**	**2**	**3**	**4**	**5**	**6**	**7**
CRI2	In the future, I will use this company as a provider.	**1**	**2**	**3**	**4**	**5**	**6**	**7**
CRI3	In the future, I intend to use (insurance) from this company.	**1**	**2**	**3**	**4**	**5**	**6**	**7**

Demographics

D1 – I am _____ years old.

D2 - My Gender is: ☐ Male ☐ Female

D3 - I have had an insurance contract with this insurance company for_____ years.

D4 - Please tick the box below for your highest educational level:

☐ High School ☐ Undergraduate ☐ Post Graduate ☐ Others

_____

Please be advised that completion and submission of the survey to the drop-in box will be taken as evidence of your consent to participate in the study.

Please return the survey in sealed envelope to the drop-in box which has been provided at the branch.

THANK YOU FOR YOUR COOPERATION AND VALUED HELP

Social Science Ethics Officer
Private Bag 01 Hobart
Tasmania 7001 Australia
Tel: (03) 6226 2763
Fax: (03) 6226 7148
Katherine.Shaw@utas.edu.au

21 October 2016

Assoc Prof Martin Grimmer
Tasmanian School of Business and Economics
University of Tasmania

Student Researcher: Sahar Siami

Sent via email

Dear Assoc Prof Grimmer

Re: FULL ETHICS APPLICATION APPROVAL
Ethics Ref: **H0015916 - Unlocking the Joint Effect of Psychosocial Safety Climate and Psychological Capital on Customer Engagement through Adaptive and Proactive Service Behaviour**

We are pleased to advise that the Tasmania Social Sciences Human Research Ethics Committee approved the above project on 17 October 2016.

This approval constitutes ethical clearance by the Tasmania Social Sciences Human Research Ethics Committee. The decision and authority to commence the associated research may be dependent on factors beyond the remit of the ethics review process. For example, your research may need ethics clearance from other organisations or review by your research governance coordinator or Head of Department. It is your responsibility to find out if the approval of other bodies or authorities is required. It is recommended that the proposed research should not commence until you have satisfied these requirements.

Please note that this approval is for four years and is conditional upon receipt of an annual Progress Report. Ethics approval for this project will lapse if a Progress Report is not submitted.

The following conditions apply to this approval. Failure to abide by these conditions may result in suspension or discontinuation of approval.

1. It is the responsibility of the Chief Investigator to ensure that all investigators are aware of the terms of approval, to ensure the project is conducted as approved by the Ethics Committee, and to notify the Committee if any investigators are added to, or cease involvement with, the project.

2. Complaints: If any complaints are received or ethical issues arise during the course of the project, investigators should advise the Executive Officer of the Ethics Committee on 03 6226 7479 or human.ethics@utas.edu.au.

3. Incidents or adverse effects: Investigators should notify the Ethics Committee immediately of any serious or unexpected adverse effects on participants or unforeseen events affecting the ethical acceptability of the project.

4. Amendments to Project: Modifications to the project must not proceed until approval is obtained from the Ethics Committee. Please submit an Amendment Form (available on our website) to notify the Ethics Committee of the proposed modifications.

5. Annual Report: Continued approval for this project is dependent on the submission of a Progress Report by the anniversary date of your approval. You will be sent a courtesy reminder closer to this date. **Failure to submit a Progress Report will mean that ethics approval for this project will lapse.**

6. Final Report: A Final Report and a copy of any published material arising from the project, either in full or abstract, must be provided at the end of the project.

Yours sincerely

Katherine Shaw
Executive Officer
Tasmania Social Sciences HREC